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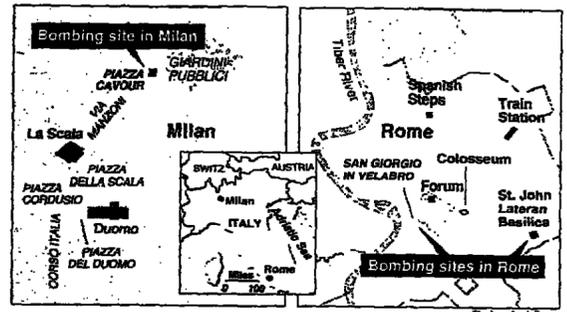
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Italy's Grim Warning: Expect More Violence In Wake of Bombings

By Barry James
International Herald Tribune
The government warned Italians on Wednesday to expect more violence after a deadly "hammer blow" to art and religion devastated two historic churches in Rome and an art museum in Milan.
Five people died in Milan late Tuesday and at least seven were injured. In Rome at least 24 people were taken to the hospital.
"Because the country is in a difficult phase," said Interior Minister Nicola Mancino, officials do not exclude the possibility of more bomb attacks.
Mr. Mancino hinted at foreign involvement in the attacks, which followed a bombing May 27 that severely damaged the Uffizi Gallery in Florence. Five people died, and more than 20 were hurt in that bombing.
"We are following several lines of inquiry, both here and abroad," Mr. Mancino told the Senate. "It is not improbable that many interests have come together to undermine the system comprehensively."
A former president, Francesco Cossiga, also raised the question of outside interests' seek-



ing Italy's destabilization, but neither he nor Mr. Mancino would elaborate.
The bombings coincide with Italy's biggest political scandal since World War II, in which five former prime ministers, a host of former cabinet members and about 2,700 lesser politicians, officials and businessmen have been accused, indicted or jailed in a massive corruption investigation.
Some officials blamed the Mafia for the violence.
"It's a political-mafioso warning," said the mayor of Milan, Marco Formentini. "I don't see how to read it otherwise."
In Rome, the bombs severely damaged the basilica of Saint John Lateran and a seventh-century Romanesque church, San Giorgio in Velabro, close to the Forum.
The lowering basilica of Saint John is the church of Pope John Paul II in his capacity as bishop of Rome, and some commentators speculated that the bombing was revenge for his recent attack on the Mafia.
"They've tried to deal a hammer blow to art and religion," said Virgilio Levi, a spokesman for the basilica. The pontiff, visiting the dam-



Fire fighters in Milan on Wednesday examining the wreckage of a car near the site of an explosion that killed five persons and destroyed a portion of the museum of modern art.

NATO Air Cover Due Next Week for UN's Bosnia Troops

Timing Hinges On Controllers For Bomb Runs

Flights Aimed At Prompting Deal in Geneva

By Rick Atkinson
Washington Post Service
BERLIN — The lack of experienced forward air controllers on the ground with United Nations troops in Bosnia-Herzegovina is a significant factor affecting the timing and target selection of any attack by NATO warplanes, military officials in Europe said Wednesday.
Even if the UN requests retaliation by the North Atlantic Treaty Organization for recent attacks on French forces in Bosnia, such strikes might have to be delayed for several days or reconfigured to compensate for the shortage of controllers, according to one senior NATO officer.
NATO plans envision using forward air controllers — or FACs as they are called in the military — to direct strikes against Serbian positions with laser designators that guide bombs to their targets.
Roughly 100 UN controllers have been training with NATO pilots in Germany and elsewhere since mid-June, but the UN has been slow to deploy them to Sarajevo and other areas in Bosnia.
Although some attack planes are capable of designating targets for themselves with their own lasers — a common practice in the Gulf War — NATO commanders prefer ground-based designators in the mountainous Bosnian terrain. Moreover, radio communication between controllers and pilots must be precise in order to avoid civilian casualties or hitting UN positions.
"You want somebody who really knows how to do this," one officer commented. "Especially in an area like Sarajevo, you want to be real sure where you're putting those bombs."
Some of the controller teams are already in Bosnia but not necessarily in areas where pilots need them. They also require additional training once they get in place.
The controllers must speak English to communicate with the pilots, as well as the language of the UN unit to which they are attached.
The United States and several allies committed themselves during the spring to protect 9,000 UN forces trying to guard civilian havens in Sarajevo, Srebrenica, Zepa, Gorazde, Tuzla, and Bihać.
Approximately 70 American, French, British and Dutch aircraft began deploying to Italy in mid-June as part of the agreement.
Some of the aircraft, such as U.S. Air Force AC-130 Specter gunships, fire cannons or other conventional munitions. The pinpoint missions, however, are accomplished with laser-guided bombs.
Pilots have been training at ranges around Italy and have been considered ready for combat since July 22, pending the positioning of the controllers.
"We're in a sort of a strange situation in that UN forces select the targets and decide where and when they want them hit, and then we provide the planes and bombs," the NATO officer added.
In NATO's Brussels headquarters, as well as in the Allied Forces Southern Europe headquarters in Naples, there is considerable concern about errant bombing.
The French military said the most recent fire against French troops may have been unintentional.
Several artillery shells landed near a detachment of 40 soldiers setting up a base at Sarajevo.

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Japan's 'Not-LDP' Joins to End Ruling Party Reign

By T.R. Reid
Washington Post Service
TOKYO — Japan's fuzzy political picture checked into sharper focus Wednesday as seven political parties agreed to form a coalition government excluding the Liberal Democratic Party, which has run the government for 38 years.
A realignment along these lines had seemed the most likely course since the historic election two weeks ago, in which the Liberal Democrats lost their controlling majority in the parliament for the first time since the party was founded in 1955. But that result was so stunning for Japan that the seven parties, known collectively as the "Not-LDP," had to carry on long negotiations to reach agreement.
Even after its election setback, the Liberal Democratic Party is still the largest single party in Japan, and its leadership had been scrambling to find ways to create at least one more cabinet. These plans evidently died Wednesday when two centrist spin-offs of the party, the Japan New Party and the New Heisei Party, agreed to side with the "Not-LDP" coalition.
After days of rumors, the plan for the next government was made public in one of those decorous rituals that seem essential in this polite society even at a time when the established political order is in shreds.
Morihiro Hosokawa, head of the Japan New Party, and Masayoshi Takemura, head of New Heisei Party, paid a formal visit to the Liberal Democratic Party headquarters. The two were met with stately bows at the door, and they bowed deeply in return.
They were ushered to a formal meeting room, where uniformed "office ladies" served green tea in fine china bowls and sweet bean cakes wrapped in bamboo leaves.
Only then did the two visitors drop the news that — as Mr. Hosokawa related the message later — "From now on, party relations will take the form of the seven-party coalition versus the LDP." To politicians, who can count the votes, this means that the Liberal Democratic Party will be shut out of the next cabinet.
Assuming that none of the coalition members walks away in the meantime, the cabinet

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Germans Poised to Lower Discount Rate

Compiled by Our Staff From Dispatches
FRANKFURT — The Bundesbank appears all but certain to cut its key discount rate on Thursday in an effort to support the fragile European Monetary System in general and the French franc in particular, economists and currency analysts said.
They said a sharper-than-expected reduction in a money market interest rate on Wednesday made a cut of around half a percentage point in the Bundesbank's 6.75 percent discount rate almost inevitable.
The Bundesbank move calmed market fears about the EMS exchange-rate mechanism. The mark fell to 3.4063 French francs in London from 3.4150 on Tuesday, pulling away from its ERM ceiling of 3.4305. The Bank of France reportedly bought francs to help its currency.
The dollar lost some of its allure as a safe haven, even against the mark, because of the easing of tensions. It fell to 1.7185 Deutsche marks from 1.7260 and to 5.8465 French francs from 5.8945.
Last week the Bundesbank gave written backing for the French currency in a statement issued by French and German financial authorities. That commitment is expected to be turned into action with a rate cut Thursday at the last regular meeting of the central bank's policy-making council before its summer break. It usually meets every second Thursday but will not convene again until Aug. 26.
A rate cut at Thursday's meeting — sorely needed to support weak currencies in the European Community's exchange-rate mechanism, particularly the French franc — would come although German inflation and money supply growth are well beyond Bundesbank targets. An easing now would thus bring into question the German central bank's resolve in fighting inflation, analysts noted.
But reduced German rates would make mark-denominated money-market investments less attractive and would help stem a flow of funds out of the French franc and other weak ERM currencies.
"The Bundesbank will cut rates with a view to stabilizing the exchange-rate mechanism," said Thomas Mayer, economist at Goldman Sachs.
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Kiosk Talks Boycotted In South Africa

JOHANNESBURG (Reuters) — Talks on South Africa's transition to democracy and the end of white rule resumed Wednesday without key black and white conservatives.
An end to 350 years of white domination could come next month if the government and the African National Congress push through their timetable for installing a multiracial transitional body with a veto over the existing white cabinet. But the boycott by the Inkatha Freedom Party, the KwaZulu black homeland and the white Conservative Party, which all seek virtual autonomy, has put the country's political future in doubt.
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Visit Cheap, Friendly, Troubled Ulster? A Tough Sell That Works

By Eugene Robinson
Washington Post Service
BELFAST — It's a tough sell. Come spend your vacation in lovely Northern Ireland.
Come to the home of the Irish Republican Army? To the home of Protestant paramilitary groups? To Belfast, where the biggest downtown hotel has most of its windows covered with plywood because of a terrorist bombing this spring? Where mobs rioted for two nights this month, burning cars and looting shops?
Unlikely as it may sound, the Northern Ireland Tourist Board is having some success in bringing visitors to the scene of one of the world's longest-running sectarian conflicts.
Despite what are known as the Troubles, a record number of visitors came to Northern Ireland last year. And, in a total of 1.25 million visitors, nearly 250,000 came on vacation.
Most of the rest came on business or to visit friends and relatives.
Persuading people to visit the battlefield of a low-intensity war is not an easy task. Northern Ireland is cheap, friendly and relatively accessible. The countryside is green and gentle. It could be tourist heaven — except for a few nagging details.
"It looks like a very, very difficult job," the spokeswoman for the tourist board, Anne Moore, said of its mandate. "Obviously image is our worst problem, because of the Troubles. We just have to accept that, be honest about it. We say, 'Yes, there is a problem here.'"
Tourism officials warn visitors not to leave their cars unattended in the downtown business districts of Belfast or other cities, lest they be stolen and converted into car bombs. On May 18, the Irish Republican Army set off a car bomb that wrecked part of Belfast's opera house and turned the Europa Hotel into an enterprise zone for glaziers.
Earlier this month, the police found and defused another bomb in Belfast that could have damaged a wide area. Smaller cities have also been hit by car bombs this year.
Neither side in the conflict has a policy of attacking tourists.
"The terrorists can attack economic targets, but they risk alienating their own people," Miss Moore said. "It's a balance they have to strike."
Enough people visit to bring Northern Ireland about \$250 million a year and create more than 10,000 jobs. Tourism is already one of Northern Ireland's top five industries, and the trend is up.
A small number of tourists even come not despite the Troubles, but because of them. The tourist board drew criticism for pointing this out in a recent report, but the fighting between Catholic republicans and Protestant loyalists is a bit of a magnet.
The tourist board pushes more traditional fare, such as Northern Ireland's golf courses, some of the best fishing in Europe and such attractions as the Giant's Causeway, a bizarre rock formation on the northern coast.
The board encourages Irish-Americans to come trace their roots, and has just begun special nostalgia tours for U.S. veterans who were stationed here during World War II.
More than four-fifths of Northern Ireland's visitors come through Ireland, the southern part of the island.
Ireland and Northern Ireland have begun to join forces, marketing the two regions as a package and setting up joint booths at tourist fairs around the world.

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WORLD BRIEFS

Tory Area Seems Ready to Give Major a 'Kick in the Pants'

By Richard W. Stevenson

New York Times Service

CHRISTCHURCH, England — Waiting at a neighbor's home to meet the Liberal Democratic candidate for Parliament in this seaside town, Stanley Henrywood said that after 14 years of Conservative Party government he thought the country needed a change.

in Parliament, is far from alone among traditional Conservatives in his readiness to switch allegiance. Having held Christchurch's seat in the House of Commons since 1910, usually by wide margins, the Conservatives appear to be on the verge of losing it, perhaps in a landslide.

A national Gallup Poll published by The Sunday Telegraph this week showed Labor with the support of 46 percent of voters, compared with 31 percent for the Conservatives and 20 percent for the Liberal Democrats.

much support. Polls published by newspapers last weekend showed the Liberal Democrat, Diana Maddock, with a lead of as much as 2 to 1 over the Conservative candidate, Robert Hayward, in Christchurch.

Ukraine Cuts Missiles Aimed at U.S.

WASHINGTON (WP) — Breaking a deadlock over the fate of former Soviet nuclear weapons on its soil, Ukraine has begun dismantling 10 of its missiles aimed at the United States, a senior U.S. defense official disclosed Tuesday.

Shooting Disrupts Caucasian Truce

TBILISI, Georgia (AP) — Government troops and Abkhazian separatists accused each other of violating a cease-fire almost immediately after it was supposed to go into effect Wednesday. Abkhazian officials said the Georgian Army shelled rebels near the village of Esbersa just 35 minutes after the cease-fire began.

Nigeria Factions Forced Into Accord

Lagos (AP) — Nigeria's two political parties bowed to the military ruler Thursday and agreed to form an interim government that apparently excludes the businessman who won the presidential election in June.

Iraq Balks on Monitoring Agreement

BAGHDAD (Reuters) — Iraq said on Wednesday that it had not reached final agreement with the United Nations on long-term arms monitoring.

North Korea Missile Test Confirmed

WASHINGTON (AP) — North Korea has tested an intermediate-range missile capable of hitting Japan, the director of central intelligence, R. James Woolsey, confirmed Wednesday. In testimony before a House Foreign Affairs subcommittee, he said the missile could carry nuclear, chemical and biological payloads as well as conventional warheads.

U.S. General Opposes Vietnam Curb

HANOI (APF) — Lifting the U.S. economic embargo against Vietnam would help — not hurt — the process of accounting for U.S. servicemen missing from the war, the U.S. general in charge of the effort said Wednesday.

Berliner Guilty of Cold War Spying

BERLIN (AP) — A German who worked for the U.S. forces in Berlin was convicted of espionage Wednesday for giving agents from the Soviet bloc information about U.S. troop movements between 1980 and 1992.

TRAVEL UPDATE

A million travelers are expected to jam Paris rail terminals this weekend as the country's traditional vacation period begins. Highways to the Riviera and the south will also be heavily congested on Aug. 1.

Paris, Citing Unreliability, To Withdraw 9 AIDS Tests

PARIS — The Ministry of Health has ordered the withdrawal from the market of nine AIDS-detection methods, saying that they are less reliable than others.

Margaret, Duchess of Argyll, Dies at 80

LONDON — Margaret, Duchess of Argyll, who was at the center of one of Britain's most sensational divorce cases, died here Monday after a series of strokes, her friends said. She was 80.

Lawmakers Dispute Yeltsin's Dismissal Of Security Chief

Compiled by Our Staff From Dispatches

MOSCOW — Leaders of the Russian parliament declared Wednesday they had annulled a presidential decree dismissing the minister of security, Colonel General Viktor P. Barannikov, saying that only the legislature had authority to do that, the Itar-Tass news agency said.



A woman from Ukraine waiting Wednesday outside a Moscow train station for a solution to her problem. Because she was classified as a foreigner, she missed the Monday deadline for changing her rubles to new currency and thus lacked money to buy a ticket back to Kiev.

Religion, in Multiple Forms, Makes a Comeback in Russia

By Serge Schmemmann

New York Times Service

MOSCOW — The venues are quintessentially Soviet — the Lenin Stadium, the October movie theater, the Locomotive sports complex — but what goes on there

would have old Bolsheviks turning in their graves. Thousands pack Lenin Stadium to hear the Reverend Billy Graham, then a few weeks later Jack Finley, then Morris Cerullo. At the cavernous October Theater on the

seamy New Arbat Street, just over a block from the Kremlin, an American charismatic preacher named Bob Wilcox calls the sufferers forward and cries out: "I speak to you in the name of Jesus. I command you to go!" A Russian interpreter deftly echoes Mr. Wilcox's gesture and rhythm, and the people stretch out their hands in ecstatic worship.

"I heard about this from a neighbor and came out, and I like it," said a middle-aged woman. "I go to the Orthodox church as well, but everything there is so complicated, with the priests and icons. Here everything is from the Bible, everything is understandable, and these pastors are so nice. We feel we're welcome here."

Religion — condemned by Karl Marx as the opiate of the people and relentlessly battled by the Soviet state — has come back to Russia with a vengeance, filling stadiums, theaters, and airwaves and sending the Russian Orthodox and established Protestant churches scurrying to the state for protection.

At the Locomotive Stadium, more than 20,000 Jehovah's Witnesses from around the world gather — Koreans in traditional dress, Americans handing out ball-point pens to puzzled Russian children, young Siberian men in new black suits. They stand and applaud for more than an hour as 2,000 neophytes in bathing suits take turns being baptized in three portable swimming pools. In contrast to the usual behavior at Locomotive, nobody smokes, nobody curses, nobody is drunk.

On a Sunday morning, Jimmy Swaggart, Pat Robertson, and other evangelists preach from adjacent television channels, and a Japanese mystic occasionally buys air time; saffron-robed devotees of Hare Krishna weave down the Arbat mall and disciples from the Reverend Sun Myung Moon's Unification Church quietly work the schools and institutes and recently organized a seminar in the Ministry of the Interior.

Finnish and American preachers from the Campus Crusade for Christ cruise down the Volga spreading the Word and passing out free Bibles. Mormons circulate in buses and subways. The Children of God, their roots among American hippies of the 1960s, open a chain of missionary communes under the name "Semva" ("Family").

An estimated 1,000 foreign missionaries and 50 foreign organizations have come to Russia over the last three years, armed with free literature, dollars, lire and brim-

stone. Nobody knows how many adherents they have — filling a stadium is no great feat among people still intrigued by anything from abroad, especially not with the bold advertising, free admission, free Bibles, rock bands, and the hint of foreign travel.

Mr. Moon's Unification Church is said to have lured people to indoctrination sessions in the United States in the guise of conferences. A representative of the Unification Church in New York said that the church paid to send about 500 Russians to New York for a 40-day conference last summer. But he said indoctrination was not the purpose of the program.

In Russia, the number of full-time members is probably a small fraction of those who attend the various revival meetings. At the October Theater, Mr. Wilcox exhorted the attendance of several hundred to make a formal commitment: "If you only come for healings and miracles and don't get involved in a local church, Christ can't protect you," he declared.

The Russian Orthodox Church has similarly found that of the millions who have been baptized in recent years, a step many Russians now view as a mandatory rite of passage, only a small fraction still attend church.

For the Orthodox and for many Russians, the foreign proselytizers are an irritant, and even a threat. With the support of the church, parliament recently passed a law requiring foreign religious organizations to register with a special government board, which has not yet been formed. The law has been assailed by human-rights defenders and Western missionaries as a retreat from the freedom of conscience formally granted in 1991.

Some church officials concede that the measure may not be effective. "The law is seen by the church as an attempt to protect society from extremists, from the spiritual chaos that these foreign religious people can bring," said Yelena Speranskaya, the Orthodox Church official charged with monitoring foreign missionary activity. "Instead of consolidation, they bring division: they introduce cults that never existed. But in practice, I don't know how this law can work."

In any case, Mrs. Speranskaya said that the most dangerous new sects were not imports, but two secretive cults that are direct offshoots of the Orthodox Church. Parents have accused both sects of brainwashing children, and have formed a lobbying organization to get their children back.

The scariest cult is called the White Brotherhood. It was founded in Ukraine in 1990 by a 52-year-old scientist named Yuri Krivonogov, who has proclaimed himself and his wife, Mariya Tsvigan, 33, to be gods on Earth under the names Ioann Svami and Mariya Devi. Mr. Krivonogov preaches imminent cataclysm, and warns that only those who repent and join the White Brotherhood can be saved.

The other cult is known as the Bogorodichny (Mother of God) Church, in Moscow. Also opened in 1990, by a former secret monk named Ioann Bereslavsky, the center worships the Virgin Mary and preaches hatred for all women — especially mothers — who do not repent and join the organization.

To be sure, the Russian Orthodox Church has not fared badly against the competition. With an estimated 60 million believers, and

with more than 6,000 new churches and monasteries reopened in the last three years, it is still by far the largest church in Russia.

What irritates the established Orthodox Church about the foreign missionaries is their presumption that Russia is a vast spiritual wasteland, despite the 1,000-year history of Orthodox Christianity. Though Patriarch Alexei II, the head of the church, insists he is against limiting religious groups, he and other hierarchs argue that there must be some control over who is allowed to preach to Russians. They insist that the outsiders must contend with the Orthodox Church, which the hierarchs, and many officials, perceive as the bearer of Russian spiritual culture.

At the Jehovah's Witness baptism, many newly baptized Russians said they had tried the Russian churches, but found them forbidding. "People are wandering around praying to icons, though the Bible says not to worship graven images," said an accountant who had come from a distant northern town, and stood with several friends. "It's impossible to understand the priest; you don't feel welcome."

Adding to the draw, communism acclimated the people to a simple, unified code of behavior and a communal mentality, while at the same time it never rooted the Russian deep-rooted superstitions and penchant for mysticism. The Communists tried to co-opt these instincts with their own set of pseudo-religious rituals.

For missionaries, this was prime turf. "When Russia started to open, we wanted to get in as quickly as possible," said Peter Youngren, founder of the Moscow Christian Center.

As for the Orthodox: "They co-existed with atheism for such a long time that they have a watered-down message," Mr. Youngren said. "You don't hear of too many Russian Orthodox having been sent to jail for their beliefs."

Mrs. Speranskaya said: "If the Russian Orthodox Church worked as it should and rebuilt its mission, showed interest in new people and searched for new forms and approaches, it wouldn't be having these problems. But when your best is crushed for 70 years, it's very hard to restore it. That's why maybe we feel that brother Christians from abroad should be helping us, not competing with us."

Herald Tribune CONFERENCES 1993 INTERNATIONAL BUSINESS OUTLOOK Oxford September 15-18 OIL & MONEY London October 25-26 THE FUTURE OF PRIVATIZATION IN EUROPE Paris November 9-10 MALAYSIA: POWERHOUSE OF THE 90s Kuala Lumpur November 14-16 ASIA-PACIFIC: MERGING BUSINESS & THE ENVIRONMENT '93 Bangkok December 1-3

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STATESIDE / A FLOOD VICTORY, MAYBE

In Kansas City, Joy as Flood Crest Passes Harmlessly

By B. Drummond Ayres Jr.
New York Times Service

KANSAS CITY, Missouri — The Missouri and Kansas rivers, rising in muddy concert to the highest crests known, worked their worst on the levees and flood walls of this city and neighboring Kansas City, Kansas.

Except for a few minor leaks, the protective berms and barriers held off the onslaught. At least for the moment.

"We just might have won," said Larry Black, a water-flow specialist for the National Weather Service, looking over river readings that documented the cresting.

"We could still get another surge or two if it rains, and you never know when one of those soggy levees is going to give way," he added. "But at first reading, it looks like we just might have won."

If so, the victory will go down as one of the few

people have achieved in the summerlong battle across the Midwest states with the great deluge of 1993.

Elsewhere, the flooding has been — and continues to be — just about the worst ever experienced in this part of the country, causing at least 43 deaths, driving more than 50,000 people from their homes and damaging or destroying at least \$12 billion in crops, buildings and possessions.

Other Missouri cities, like St. Louis, Jefferson City and St. Genevieve, still face major flooding threats. And farms and villages in many parts of Kansas, Iowa and Illinois are still under water.

Still, Kansas City seems to have escaped for the moment and that was all that mattered to Charlie Sutura, owner of Sutura's Restaurant, as he looked out the door of his establishment Tuesday afternoon toward one of the straining levees at the convergence of the Missouri and Kansas.

The water was within inches of the top. But for

the first time in days, it was not getting any higher.

"The police told us we'd better head for higher ground," Mr. Sutura said. "But I think the worst is over. I believe the worst is over. I'm a born optimist. I'll stick and trust that levee and use the rest of the day to get ready for tomorrow. Got some painting to do that I've been putting off. You get a break, you take it."

Disaster officials warned that while the two rivers that merge here appeared to have peaked, the river levels would not start dropping for at least another day.

Officials added that passing summer thunderstorms might cause a quick surge or two on either or both of the rivers over the next several days.

"When you're dealing with a river crest, you just take it one day at a time," said George Hanley, chief spokesman in Kansas City for the United States Army Corps of Engineers. "A big crest doesn't drain off in

an afternoon. It kind of rises, levels off for a while, then begins to fall."

House Votes Flood Aid

The House of Representatives narrowly approved a \$2.74 billion relief package for Midwest flood victims on Tuesday, resolving five days of mostly partisan wrangling in favor of Democrats, who insisted that emergency aid took priority over cutting the budget deficit. The New York Times reported from Washington.

The politics of flood relief had little to do with cresting flood waters, battered levees or submerged corn fields. Not a single Republican or Democratic lawmaker argued against helping those who are suffering, but members disagreed sharply over how and when to pay for federal relief efforts, which could reach \$10 billion.

The bill goes to the Senate, where Republican leaders have said they have no problem with it.

★ POLITICAL NOTES ★

Clinton Knew His Aide Was Feeling Blue

WASHINGTON — President Bill Clinton telephoned Vincent W. Foster Jr. the night before he committed suicide in part because he had learned the deputy White House counsel was "having a rough time" at work, the White House said.

The statement, confirmation of a report in Newsweek magazine, appeared somewhat at variance with a previous White House assertion that no one had known Mr. Foster was feeling troubled. But the White House press secretary, Dee Dee Myers, said the president had been aware only that it had been a difficult week for the office of the White House counsel, where Mr. Foster was the No. 2 official.

"There was absolutely no reason to think that Vince was despondent," Ms. Myers said. "Nobody believed that." She said later that the president had invited Mr. Foster and his wife, Lisa, to watch a movie with him but that Mr. Foster declined during the course of their 20-minute talk.

Ms. Myers sought to dispel any notion that Mr. Clinton had a sense of foreboding. "The president did not have any inkling that Vince was about to go kill himself," she said.

The disclosure of the July 19 telephone call from the president nevertheless added to a picture that suggested a number of Mr. Foster's friends had become concerned about him shortly before he was found dead last week of a gunshot to the head.

The counsel's office was subjected to criticism for not detecting problems in some of Mr. Clinton's nominations for top jobs. (WFP)

Hard Choice: Stress on Health Care or Trade

WASHINGTON — Just as the Clinton administration was forced to drop health care reform to focus on the budget battle in Congress earlier this year, the White House soon may find itself making a similar choice between health care and the North American Free Trade Agreement.

The White House still hopes that both health care reform and the free trade pact can be squeezed through Congress by the end of the year, but some lawmakers are saying that would create such a political logjam in the fall session that both proposals would be jeopardized. (LAT)

Quote/Unquote

President Clinton, announcing plans to make it tougher for immigrants to enter the United States: "This has nothing to do with our support for keeping the rainbow and the melting pot of America going and growing and enriching and strengthening this country." (NYT)

A Few Democrats Hold Budget Key

Some 'Yes' Votes Lean to 'No'

By David E. Rosenbaum
New York Times Service

WASHINGTON — As negotiations tried to resolve differences in the House and Senate budget bills, Democratic senators and representatives who are not on the conference committee threatened Tuesday to break ranks and bring President Bill Clinton's deficit-reduction package crashing down like Sennet's temple.

Senator David L. Boren, Democrat of Oklahoma, who has been a thorn in President Clinton's side all year, delivered a speech in which he threatened to switch sides and vote "no."

In the House, W. J. (Billy) Tauzin has been telling his Democratic constituents in Louisiana that he could not vote for a gasoline tax, which is sure to be part of the final version.

After a meeting in the office of Senator George J. Mitchell of Maine, the Democratic leader, Democratic congressional leaders and Clinton strategists said they expected the deficit-reduction measure to be approved.

The prevailing view in the Capitol is still that the final version of the bill will indeed squeak through the House and the Senate next week and go to the White House for the president's signature.

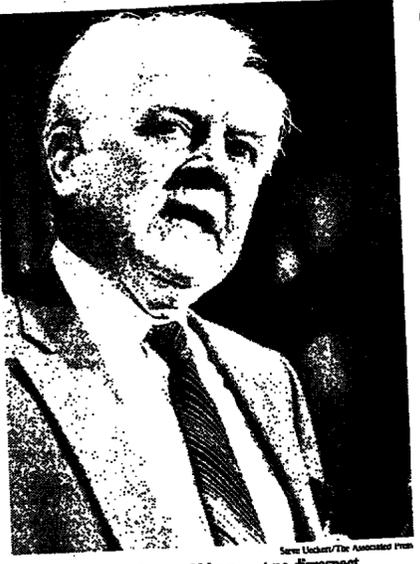
A staff assistant who is keeping close watch on how each senator plans to vote said he did not believe any of the six Democratic senators who voted against the bill the first time could be persuaded to switch.

If he is right, Senator Boren holds a vote that might make or break the Clinton presidency.

In his speech on the Senate floor, Mr. Boren, who seems to have no support among his fellow Democrats, urged the administration to scrap what has been done up to now and start afresh in a bipartisan effort with Republicans.

Mr. Boren favors deeper spending cuts than either the Senate or House has approved.

"I'm out of the 'yes' column at this point," he said in an interview. "I remain to be convinced."



Judge Charles J. Hearn said he meant no disrespect.

Gallows Humor Case

Smile on Death Order Stirs Furor

By Sam Howe Verhovek
New York Times Service

HOUSTON — Charles J. Hearn, a Texas state judge, has been adding a happy face to his signature for years.

The happy face appears on his driver's license, on the checks he signs, on thousands of court documents.

Now it is on an execution order, informing a state prisoner of the date he is to be put to death.

The judge insists he meant no disrespect when he sent the order this month to Robert Nelson Drew, an inmate on death row, setting his execution for Oct. 14. The order concluded with the judge's customary bold signature, complete with a scribbled-on happy face.

"It's just a signature like yours is or anyone else's is," the judge said Tuesday. "It's that simple. I'm a happy person. You've got to be a happy person. We've got 100 million people walking around this world with grim looks on their faces."

But Mr. Drew's lawyer, William M. Kunstler, said he and his client interpreted the smiling face as callous mockery and they were outraged by it. Mr. Kunstler said he planned to ask for a new trial.

"It's like he's saying, 'Have a nice death,'" Mr. Kunstler said. "Obviously, a man with this lack of sensitivity should not have been presiding at a capital murder trial."

The judge replied: "This is the way I sign everything. If I had put a happy face on an order staying the execution, I am very sure Mr. Kunstler would have had no problem with that."

Mr. Drew was convicted for the 1983 stabbing death of a 17-year-old Alabama man who the police said had picked him up while hitchhiking.

Mr. Hearn, 62, said the happy face was meant to symbolize his born-again Christian faith. He is known here for saying "God bless you" as he sentences people to prison, and on a few occasions he has held hands and prayed with convicts as they are sent away.

Some of the threats could be positioning in the hope of getting more out of the conference. But since the measure passed the House in May by only six votes, and was approved in the Senate only on the strength of Vice President Al Gore's tie-breaking vote, the president's supporters have no margin of comfort.

All the Republicans in the House and Senate voted against the measure the first time and are pledged to vote against the final version.

"I'm not sure it will pass," said Senator Joseph I. Lieberman of Connecticut after a luncheon meeting of Democratic senators.

And Senator John B. Breaugh of Louisiana, an important ally of the president's, said: "There are a lot fewer 'no' votes that are leaning to 'yes' than there are 'yes' votes that are leaning to 'no.'"

Because Mr. Boren is often fickle but follows the party line in the end, his colleagues generally ignore outbursts like the one this week and attribute it to his craving for press attention. But in this case, they cannot afford to do so.

"He's feeling the heat," said a Democratic senator who supports the budget package. "A lot of people are feeling the heat. Oh, God, I'm getting it from 800 numbers, full-page ads, letters, you name it."

Clinton Ponders Next Chairman of Joint Chiefs

By Al Kamen
Washington Post Service

WASHINGTON — President Bill Clinton, who has been on easy street with his Supreme Court nominee, Ruth Bader Ginsburg, and so far with the FBI director, Louis J. Freeh, soon will confront a tricky nomination: replacement of the Joint Chiefs chairman, General Colin L. Powell, who leaves at the end of September.

Defense Secretary Les Aspin has

said privately that he realizes the choice is critical. Mr. Aspin said he had narrowed the field to two or three possibilities.

Pentagon sources see a half-dozen contenders, including:

- The Joint Chiefs vice chairman, Admiral David E. Jeremiah, who has the advantage of being the current No. 2.
- The air force chief of staff, General Merrill A. McPeak.
- Admiral Charles R. Larson,

head of the Pacific Command, with whom Mr. Clinton spent several hours in Hawaii this month.

- Marine General Joseph P. Hoar, head of the Central Command and the Marine commander in chief.
- Air Force General George L. (Lee) Butler, who runs the U.S. Strategic Command.
- Army General John M. Shalikashvili, supreme allied commander in Europe, who is seen as something of a dark horse.

Republican Wins in Arkansas Over a Former Clinton Aide

The Associated Press

LITTLE ROCK, Arkansas — A Baptist minister has narrowly defeated a former aide to President Bill Clinton in an election for lieutenant governor, making him the only Republican in Arkansas to hold a statewide office.

With 98 percent of the state's 2,064 precincts reporting, the Rev. Mike Huckabee had 145,363 votes, or 51 percent, to 140,587 for the former Clinton aide, Nate Coulter.

Arkansas has been without a lieutenant governor since December, when Jim Guy Tucker became governor after Mr. Clinton was elected president.

Mr. Huckabee, a 37-year-old Baptist minister from Texarkana, is former president of the 490,000-member Arkansas Baptist State Convention.

He had campaigned against what he called the state "political machine" controlled by Democrats.

Mr. Coulter had said there could be "gridlock" at the statehouse if the governor and lieutenant governor were from different parties.

Mr. Coulter, a 33-year-old lawyer from Little Rock, served as counsel for Mr. Clinton, as lawyer for the state Democratic Party and as head of a commission that studied election reform.

Away From Politics

- Violence on the three major U.S. broadcast networks is diminishing, according to a three-year study by the University of Pennsylvania's Annenberg School for Communication. Sixty-five percent of prime-time fictional drama and nearly half of all broadcasts are still involved in violence, the study said, but the frequency of violent scenes per hour is about half of what it had been before 1990.
- Denny's restaurants, accused of discriminating against black customers in California and Maryland, has hired a business consultant.

- Restaurant and bar employees' risk of developing lung cancer is 50 to 90 percent higher than normal because of the unusually high levels of tobacco smoke in the air of their establishments, a study in the Journal of the American Medical Association suggests.
- Nearly one in five workers had job-related back pain for a week or more during one recent year, and 22 percent had trouble with their hands, including carpal tunnel syndrome, the National Center for Health Statistics has reported. AP, LAT, NYT

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CONRAD HOTELS

3 Rival Bosnia Leaders, Maps at Hand, Discuss Ethnic Confederation

By David B. Ottaway
Washington Post Service

GENEVA — The three warring factions in the Bosnian conflict discussed on Wednesday the possible creation of a confederation of three ethnic republics, and the Muslim-led government came under pressure to accept the proposal of its Serbian and Croatian enemies.

Leaders from the three Bosnian confederations have come here in a last-ditch attempt to work out a peaceful settlement and avoid the threat of the Bosnian Serbs to launch a final offensive to complete their military victory over the Muslim-led Bosnian government.

The international mediators Lord Owen and Thorvald Stoltenberg, anxious to see the talks succeed, sought to maintain a news blackout on the substance of discussions on a possible compromise between the Muslim-led government and the Serbs and Croats that it be partitioned into three ethnic republics.

But reports emanating from various conference sources said the delegations had seriously examined throughout the day maps for the ethnic division of the country within a loose confederation.

A conference spokesman, John Mills, said the second day of talks had made "steady progress." But the only party that seemed to be satisfied with the general trend of

NATO: Bosnia Air Cover

Continued from Page 1

political nicety, partly to allow for final congressional consultations. French officials have traveled to New York to press for faster UN action in getting allied air cover, underscoring France's new readiness to see NATO play a larger peacekeeping role.

Common ground between Washington and Paris — after France objected this spring to lifting the arms embargo on Bosnian Muslims — has emerged in a desire for some action to display Western resolve but not enough to encourage Bosnia's government or challenge the Serbian leadership.

If air strikes are approved, U.S. and French officials said, they will be tightly restricted to protecting UN forces and only indirectly linked to defending the "safe havens" that were included in the Security Council resolution.

As a European policymaker put it, "Now the art of intervention is timing and targeting to encourage the Bosnian Muslims to believe that the West will protect a deal they accept."

After so many broken promises to Bosnia, sterner military measures could be helpful in foreshadowing Western determination to enforce any UN-approved peace plan, including protection for a Muslim ramp state.

The line that the United States and its allies seem ready to draw appears very limited, with Mr. Clinton saying that "the position of the United States has long been that if the United Nations and we are attacked there, we would do our part to protect them by making available air power."

Mr. Butros Ghali also indicated that military action would be confined to silencing hostile fire.

Western intervention, if restricted in this way, might actually be welcome to the Yugoslav government, helping it reign in unruly local Serbian militias now that the main Serb and Croat objectives have been achieved in Bosnia.

NATO's readiness for air strikes has improved with the inclusion of four AC-130 Specter gunships, which would be the ideal plane for knocking out Serb artillery bases. Armor-plated, these aircraft fly slowly enough to saturate a small area with their artillery and rapid-fire machine guns guided by sophisticated sensors.

U.S. to Propose Ban on Nuclear Bomb Materials

By Michael R. Gordon
New York Times Service

WASHINGTON — The United States is preparing a new arms-control proposal that would aim for a worldwide ban on the production of materials used to produce nuclear weapons.

President Bill Clinton promised during the election campaign last fall to step up efforts to slow the spread of weapons of mass destruction.

Washington has pushed diplomatic efforts to stop North Korea efforts to develop nuclear weapons and has sought to persuade Ukraine to give up its nuclear arsenal. But critics say the Clinton administration has been slow to propose a comprehensive plan.

In the coming weeks, experts hope to present a proposal to ban the production of highly enriched uranium and plutonium unless subject to international inspection.

Those materials are used to make the explosive warheads in nuclear weapons, and the purpose of the ban would be to stop the further development of nuclear arsenals.

Mr. Clinton has yet to approve the plan, which covers nuclear, biological, and chemical weapons and the missiles that deliver them. But there is broad agreement about the

effort among State, Defense, and Commerce officials and the staff of the National Security Council.

Washington has begun sounding out its allies on the plan.

While officials defend their plan as a careful balance of arms-control and diplomatic concerns, it is drawing fire from critics who complain that some elements do not go far enough. Some experts have urged a worldwide ban on the production of all enriched uranium and plutonium.

Under the plan, all nations would be asked to join an international agreement to stop producing uranium and plutonium for nuclear weapons. The United States has already stopped producing such material, but Britain, China, and Russia continue production.

This agreement would not prohibit West European nations and Japan from producing highly enriched uranium or plutonium for nuclear power. But the producers would have to let the International Atomic Energy Agency inspect such production, and ensure that excess plutonium is stored securely.

Other nations, including South Africa, North Korea, Israel, Pakistan and India would be treated differently: The United States would try to discourage them from building plants to make these materials even for civilian purposes.

India, Pakistan and Israel already produce highly enriched uranium and plutonium; they would be expected to stop all production.

South Africa has said it has abandoned its nuclear bomb program, but it has a factory that can produce highly enriched uranium. U.S. officials hope to persuade South Africa to limit its production to less-enriched uranium.

Experts describe the plan as a first step that, along with a ban on nuclear testing, will restrain weapons development. While Washington and its allies grapple with the thorny question of how to reduce stockpiles of fissionable material.

Officials also say that the emerging plan is the most that the United States can hope to achieve and that asking Japan and West European nations to stop all production of uranium and plutonium would be futile.

Even carrying out Washington's new plan may prove difficult. Britain, for example, has indicated that it wants to keep producing material to make warheads for its new Trident submarine-launched missiles.

And Third World nations may object to the request that they stop all production of uranium when Western Europe and Japan are not being asked to do the same.

ITALY: Grim Warning

Continued from Page 1

by years of unbridled corruption. The country is facing "a war against unknown people," said the culture minister, Alberto Ronchey.

Prime Minister Carlo Azeglio Ciampi, who is committed to early elections to replace Italy's disgraced elite of revolving-door politicians with a more representative democracy, said the bombings were "attempts to create disorder and panic and slow the country's progress toward renewal."

Following a pre-dawn cabinet meeting, the head of the civilian intelligence services, Angelo Finocchiaro, resigned. The interior minister told the Senate that Mr. Finocchiaro had quit to make it clear the service was not guilty of "deviation." This is the term used by Italians to imply anti-government plotting by intelligence agents.

Some politicians saw a link between the attacks and the political devastation testimony of Giuseppe Garofano, a former chairman of the Montedison chemicals group. Mr. Garofano has told investigators how politicians and officials took \$280 million in kickbacks and bribes in the creation and sale of a chemicals joint venture called Enimont.

Two heads of the two companies involved in the Enimont affair were found dead, apparently by suicide last week. They were Raul Gardini, the former chairman of Ferruzzi-Montedison and Gabriele Cazzulani, the former chairman of ENI, the state-owned energy concern. RAI-3, a state television channel, said magistrates were about to start legal proceedings against several ministers who served under former Prime Minister Giulio Andreotti between 1989 and 1992.

JAPAN: 7-Member Coalition to End Party's Reign

Continued from Page 1

Democratic Party last month to form the Japan Renewal Party. Another potential candidate is Mr. Hosokawa, who left the Liberal Democratic Party last year to form the Japan New Party.

The policy framework that seems to be emerging from the "Not-LDP" talks means that Japan's government will continue its close military and political alliance with the United States.

On economic policy, the group seems likely to take new pro-consumer steps, including an income tax cut. The coalition does not plan a quick end to Japan's ban on rice imports, however.

In foreign affairs, the coalition says it will offer much stronger apologies and compensation than ever before to Asian neighbors that were savaged by Japan's military forces in World War II.

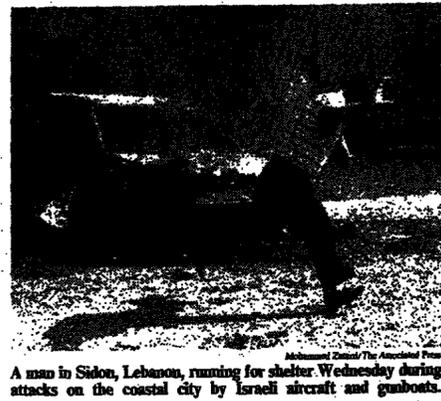
The next government's first major policy step, however, will focus on the issue that determined the election: political corruption.

There are nine major parties in Japan. The Communist Party, with just 15 members in the 511-seat lower house, fiercely refuses to align with anybody. The Liberal Democrats, who saw three more Diet members defect from the party Wednesday, have 220 lower house seats, 36 short of a majority.

Thus the coalition of the remaining seven parties will have majority control as long as all seven groups stay in line.

The first key vote in the Diet session will choose Japan's next prime minister. The "Not-LDP" parties are now engaged in negotiations over who that will be.

The most likely choice seems to be Tsutomu Hata, a political veteran who broke from the Liberal



A man in Sidon, Lebanon, running for shelter Wednesday during attacks on the coastal city by Israeli aircraft and gunboats.

BORDER: Plea by Clinton

Continued from Page 1

clear in a telephone conversation with Prime Minister Yitzhak Rabin.

"We call on all the parties to take all necessary steps to end the violence," he said in a statement read to reporters at a daily briefing.

"Military activities directed against all civilians should also stop," Mr. McCarty said. "We are deeply disturbed by the situation which is bringing massive refugee flows to Lebanon. The refugees from southern Lebanon must be allowed to return to their homes immediately."

The statement by Mr. Butros Ghali said: "The secretary-general has learned with alarm that a major objective of the Israeli bombing campaign in southern Lebanon is aimed at displacing the civilian population from villages in the area."

Israel opened its attacks after seven Israeli soldiers were killed by guerrillas in recent weeks in its self-proclaimed security zone in southern Lebanon and guerrillas began firing rockets into northern Israel.

In Jerusalem, Chris Hedges of The New York Times reported that only a few rockets were fired into Israel on Wednesday as the artillery barrage and bombing by Israel continued.

"Now we are at the stage in which we are firing into the villages in order to cause damage to property," said General Yehosh Dorfman, Israel's artillery commander.

"The aim is to create a situation in which the residents will leave the villages and go north. The aim is to damage the infrastructure, to destroy the villages and the houses of the activists and the locations from which the rockets are fired. A large part of the rocket-launchers were placed inside villages."

STRIKES: Controllers Necessary

Continued from Page 1

no television center. What is less clear is who was responsible.

"The Serbs say, 'It wasn't us,' and the Muslims say, 'It wasn't us,'" a NATO officer said. "We have a suspicion that it was done by the Serbs to make it appear that the Muslims were doing it to make it appear that the Serbs were doing it. That's what we're facing here."

Should a retaliatory attack be authorized, the operation will be largely directed from Naples under the command of U.S. Admiral Mike Boorda.

A NATO officer in Brussels said Wednesday that efforts had been

Shelling and Fighting

Artillery and infantry battles raged on in Bosnia, Reuters reported from Sarajevo.

Around Maglaj, 100 kilometers (60 miles) north of the besieged Bosnian capital, Croatian and Serbian artillery rained down on Muslim defenders, Sarajevo radio said.

In Mostar, Bosnian Croats continued to shell civilian and military targets in the Muslim-held part of the city.

At a news conference in Belgrade, the deputy chief of the UN Protection Force, Cedric Thornberry, said the Broke area was the scene of "fairly intense fighting."

made to decentralize the planning. American aircraft available to support the UN troops include a dozen A-10 and O/A-10 attack planes at Aviano Air Base near Venice; a half dozen Navy A-6 or F/A-18 planes from the aircraft carrier Theodore Roosevelt in the Adriatic Sea; four Specter gunships at Brindisi, Italy; five tankers at Sigonella, Sicily; or Malpensa, Italy, and three EC-130 airborne-control aircraft.

Another dozen Air Force F-16s and eight U.S. Marine Corps F/A-18s are also available at Aviano. They are enforcing the ban on military flights over Bosnia-Herzegovina.

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German Peacekeepers March to an Uncertain Trumpet

Jewish Group Seeks An Apology in Japan

TOKYO — A leading Jewish group has demanded an apology from a Japanese newspaper that ran an advertisement for books alleging a Jewish conspiracy to destroy Japan.

The advertisement, which appeared Tuesday in the Nihon Keizai Shimbun, "gives credence and respectability to blatant and outlandish lies about the Jewish people," said the Simon Wiesenthal Center, which is based in Los Angeles.

The advertisement, covering one-third of a page, contends that Jewish industrial and financial groups surrounding the Rothschild family have taken over the rest of the world and are now attempting to destroy Japan.

It asserts that Japan's stock market slump, the value of the yen and current political turmoil are all the work of Jews, who are said already to control the Finance Ministry and the Bank of Japan.

Asked to comment on the Wiesenthal Center's complaint, Nihon Keizai said its advertising policy was founded on respect for freedom of expression and publication.

The advertised book, in three parts, is called "Hit Japan, the Last Enemy."

In one of Japan's more bizarre cultural manifestations, newspapers and magazines periodically publish articles purporting to reveal the dangers that world Jewry poses to Japanese life.

Washington Post Service

BERLIN — Rarely has a nation marched off to peace with more handwringing anxiety than Germany has shown in its current deployment of peacekeeping troops in Somalia.

The German force is modest. It will grow perhaps to 1,700 soldiers by next month. The benign mission is to provide support to other United Nations troops in a pacified area near the Ethiopian border.

Nevertheless, the departure of the troops for Africa in recent days has dominated the German press and intensified debate over the country's role in world affairs.

Beyond concerns about the safety of German soldiers lies anxiety that this first tentative move into post-Cold War power politics could exceed the mission's constitutional bounds and precipitate a political crisis at home.

Chancellor Helmut Kohl is said to have assured Paris, London and Brussels that the Germans will not out and run even if action heats up in Beledweyne, the city 200 miles (320 kilometers) north of Mogadishu where the German force has camped.

Defense Minister Volker Rittig, during a morale-building trip to Beledweyne, suggested that Germany now is entitled to a louder voice in UN operations in Somalia.

But Rudolf Scharping, chief of the opposition Social Democrats, proposed that German participation in any future UN operation require a two-thirds majority in parliament — a restriction that would effectively keep the army at home.

Mr. Scharping asserted that Mr. Kohl's government misled parliament about the Somalia mission, which could involve combat. The German constitution forbids military operations outside the North Atlantic Treaty Organization.

Polls show that the German people remain divided. In a survey published by the magazine Der Spiegel, 51 percent of those polled favored bringing German soldiers out if they come under fire; 42 percent disagreed.

Mr. Kohl represents the faction that sees Germany shouldering an increasing burden — and more influence — in the community of nations.

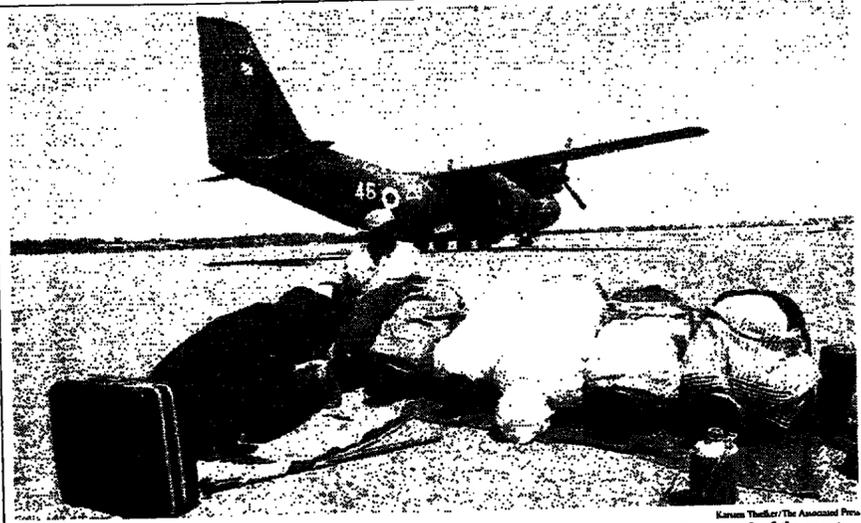
"One thing that's very important for the Germans is to be pulled out of the niche protecting them from international responsibility," recently observed Kurt Biedenkopf, premier of the Eastern state of Saxony. "Germans were never particularly happy with Helmut Schmidt's observation that they were economic giants and political dwarfs, but they felt rather comfortable with that position."

Some conservative politicians view the military activism as a barometer by which to gauge Germany's return to normalcy nearly half a century after World War II, according to Werner Hoyer, parliamentary whip for the Free Democrats, junior partner in Mr. Kohl's coalition. But there is still no accepted view of what a normal Germany should look like, Mr. Hoyer added.

Many officials in Bonn concur that providing logistical support for other UN forces in Somalia is at the edge of humanitarian missions permitted under the German Constitution. Should German troops find themselves exchanging fire, the Free Democrats have signaled that they will withdraw their support.

That could mean bringing the troops home — a painfully embarrassing setback to Mr. Kohl.

— RICK ATKINSON



Somali Muslims, recruited to work for the United Nations, praying near an Italian military transport in the north of the country.

Indian Leader Wins 3d Confidence Vote

NEW DELHI — Prime Minister P.V. Narasimha Rao survived a no-confidence motion Wednesday in Parliament, where opponents had accused him of corruption and incompetence.

It was the third no-confidence motion that Mr. Rao's minority government had defeated since it came to power in June 1991. He won by a margin of 262 to 248 in the voting Wednesday; eight members abstained.

It appeared that members of the governing Congress (I) Party had succeeded in splitting the 20-strong Janata Dal (A), which had announced it would vote against the government. Politicians said at least seven and possibly eight members of the Janata Dal faction had broken ranks and voted with the government.

Mr. Rao will now propose a constitutional amendment that would allow Parliament to ban parties or groups that promote religions hatred. It would also forbid candidates who won elections by introducing religious topics or symbols during campaigns from taking seats in federal and state legislatures.

The legislation is clearly aimed at the Bharatiya Janata Party, Parliament's largest opposition group and Mr. Rao's arch-enemy.

The motion was sponsored by a leftist coalition and supported by

the right-wing Bharatiya Janata Party.

Mr. Rao, who took power following the assassination of Prime Minister Rajiv Gandhi, has reformed India's closed economy and confronted a growing Hindu fundamentalist movement. But his government has been paralyzed since he was accused last month of accepting money from the key suspect in India's worst financial scandal.

(AP, Reuters)

UN Aide Backs Court Review of German Asylum Cases

BONN — Germany should not curtail legal channels any further for asylum-seekers rejected under a new fast-track system, the leading United Nations refugee official in Germany said Wednesday.

The introduction of a tough new asylum law on July 1 to stem a flood of refugees means the government expects cases that previously dragged on for years to be completed within 19 days.

But the law has prompted a steady trickle of appeals to Germany's supreme court, which has suspended deportation orders against four asylum-seekers. These appeals have irritated conservative politicians, who say the new law is being undermined and may have to be changed.

Hans Tennfeld, head of the German mission of the UN High Commissioner for Refugees, told German radio: "It is necessary that there should be a first court and that an appeal can then be taken to an independent second court. Half of the appeals have been upheld, and that clearly shows that the question of whether or not there is a need for protection needs to be looked at much more closely."

Last year almost 440,000 refugees applied for asylum in Germany.

Since July 1, all potential applicants have been turned back at Germany's land borders.

U.S. Reviews Refusal to Comply With Regional Nuclear Weapon Bans

By Michael Richardson

SINGAPORE — The Clinton administration is reviewing a longstanding U.S. policy of refusing to comply with regional agreements that ban the possession or storage of nuclear weapons, Western officials said Wednesday.

Under that policy, Washington has refused for the last eight years to sign the protocol to a 1985 treaty establishing a nuclear weapons-free zone covering the South Pacific.

Washington argues that such a treaty could weaken global nuclear deterrence and, in particular, impede freedom of navigation for the U.S. Navy.

The United States also strongly opposes a plan by countries in the Association of South East Asian Nations to create a similar zone that would cover sea and air lanes used by U.S. military forces in the Pacific to reach the Indian Ocean and the

Gulf. The ASEAN members are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand.

In an interview on Wednesday, Frank G. Wisner, the U.S. undersecretary of defense for policy, said the United States is reviewing its position on the planned zone for Southeast Asia.

In a separate interview, Gareth Evans, foreign minister of Australia, said that he had been advised by a senior U.S. official that there was "a fundamental review going on, a rethink of attitudes" toward the South Pacific zone.

Mr. Wisner noted President Bill Clinton's recent call for a worldwide ban on the testing of nuclear weapons and also the progress made in nuclear arms reduction in negotiations between the United States, Russia and other nations from the former Soviet Union.

There has been "literally a revolution in thinking about the nuclear issue," Mr. Wisner said.

As a result, he added, the United States will take "a fresh look at what is at stake" for U.S. interests in the proposed nuclear weapons-free zone for Southeast Asia.

Both Mr. Wisner and Mr. Evans emphasized that they did not know what the U.S. reviews would conclude and recommend.

Analysts said, however, that the end of U.S.-Soviet nuclear rivalry, the removal of all tactical nuclear weapons from U.S. warships and submarines and decisions to close U.S. bases in the Philippines has made Washington much less wary of nuclear-free zones.

At a news conference Wednesday, at the end of a three-day meeting of officials from 12 Asia-Pacific nations and the European Community, Ali Alatas, the Indonesian foreign minister, said that the drafting of a treaty to establish a nuclear weapons-free zone in Southeast Asia was in an advanced stage.

While noting that the Cold War nuclear confrontation was over, he said: "We are still in a world that is bristling with nuclear weapons."

Making Southeast Asia an area where the manufacture, acquisition and storage of nuclear weapons was forbidden would help prevent the spread of nuclear arms, he said.

In a closed session of the conference on Monday, which was attended by Secretary of State Warren M. Christopher, the ASEAN foreign ministers assured the U.S. delegation that legitimate interests of powers outside the region would be protected in the drafting of such a nuclear-free treaty.

ASEAN officials said that the treaty would preserve all existing rights of passage through international sea lanes and airspace in Southeast Asia for foreign ships and aircraft even if they carried nuclear weapons.

Individual countries in the region that signed the treaty would also be able to decide for themselves whether to allow access to their ports and airfields for foreign ships and aircraft carrying nuclear weapons, the officials said.

The U.S. will neither confirm nor deny reports that it has nuclear weapons on ships, aircraft or bases.

In what appeared to be a significant shift in policy, Kabun Muto, foreign minister of Japan, said Wednesday that Japan was inclined toward supporting an indefinite extension of the Nuclear Nonproliferation Treaty.

Earlier this month, when concerns about a suspected North Korean program to develop nuclear weapons were at their height, Japan refused to endorse a call by the U.S. and other industrial powers for an extension of the 1970 pact.

The Japanese position caused concern among Asian nations that Japan was leaving open an option to develop nuclear arms.



THIS SIA ENGINEER WORKS IN SEATTLE.

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Herald Tribune

When Good Wishes Abet Tragic Results

Peace Talks or More War?

Hezbollah's Conceit

It is the conceit of Hezbollah ("Party of God")... the Iranian-aided terrorist group...

reason to think that Lebanon, desperately trying to rebuild, would lead the guerrillas whom Iran and Syria sponsor...

Still, once military forces wheel into action in the Middle East, no one can be entirely sanguine about what might ensue...

A familiar pattern is evident here. Lebanon's government, weakened by civil war and foreign intervention, cannot perform the first function of sovereignty...

The Only Alternative

With luck, the deadly exchanges of bombs and rockets now raining down on civilian populations on both sides of the Israeli-Lebanese border will not blow up the Middle East peace talks...

With that danger in mind, Damascus has prudently restrained its own forces in Lebanon even though Syrian soldiers have been called in the fighting...

Mr. Christopher's goal of revitalizing the peace talks suddenly takes on new urgency. The Israeli, Lebanese, Syrian and Jordanian governments and the Palestinian negotiators...

all feel they have a stake in keeping the talks going, but that may not be enough. With radical Islamic rejectionists like the Party of God and Hamas working to raise the level of violence...

Mr. Christopher faces a formidable challenge. He has no magic powers to create a negotiating breakthrough. Only the Middle Eastern parties directly concerned can do that.

What former Secretary of State James Baker put together with the smoke and mirrors he called "constructive ambiguity" must now be sustained through grit and hard work.

The only alternative to negotiated peace is now spectacularly on view on both sides of the Israeli-Lebanese frontier.

— THE NEW YORK TIMES

PARIS—The agony of Bosnia is trailing on. But there is no longer real doubt about its ignominious, mortifying end...

By Flora Lewis

Aid is a temporizing response. It is not self-evident that it always does more good than harm.

tion to the forces of arms and indifference, although they, too, have met with a moral and political defeat as complete as that of the short-lived state of Bosnia-Herzegovina.

It is hard, though, to hear the prissy, plaintive-

ly righteous claim of Secretary of State Warren Christopher that "the United States is doing all it can consistent with our national interest..."

The first assumption, asserted by the European Community and endorsed by the United States, was that mediation and a kind of benign diplomatic massaging of the parties to a fierce dispute can produce an agreement...

It was already quite clear before the state of Yugoslavia fragmented that the parties were not going to resolve their conflict amicably...

It is a terrible question, but it has to be faced. The tendency is growing to respond with "humanitarian aid" to what are essentially man-made, political problems...



The Way Ahead for Europe Is Back to Practicality

By William Pfaff

PARIS—Self-inflicted wounds are the worst, and Western Europe today reeds from them, wounds of uncalculated ambition and failure of foresight.

The European Monetary Union has in recent days been battered again by speculators, but this has also been a consequence of the plan's own overreaching ambition...

However, European union surely does not depend on currency union. It rests on a political commitment to European reconciliation.

Unity has been constructed by four decades of eminently practical steps in economic integration, which have brought political integration with them.

Monetary union was an uncharacteristic and imprudent step because it involves matters that governments cannot control.

creation of a single European market at the start of the 1990s, the successive steps in building Europe all were within the power of governments to carry out.

The value of money is not subject to determination by governments, except incompletely and indirectly.

The Community's morale could vanish. A gradual decline could follow.

as the eventual result of economic as well as fiscal policy decisions that are then subjected to popular and political reaction and the forces of the marketplace.

Relative currency values are subject to variables in the interactions of national economies with different characteristics and different problems.

It is, for example, reasonably clear

at the moment that the French economy is in a fundamentally better condition than the German. But Germany's interest rates are kept high because of the inflationary threat to Germany created by the unrepentant terms on which the West-German economy was united with the erstwhile-moribund East-German economy.

What suits the one economy does not suit the other. Neither government can be expected indefinitely to sacrifice its national interests to those of the other government.

The outlines of such a deal were conveyed to Lee S. Kreindler, the New York lawyer who represents the largest number of Pan Am victims' families, on July 12.

The Case Is About More Than Money

By Jim Hoagland

WASHINGTON—Writing about Libya's efforts to evade punishment for the bombing of Pan Am Flight 103 brings me in touch with an exceptional group of Americans...

These Americans are relatives and friends of Pan Am passengers and crew members who perished over Lockerbie, Scotland, on Dec. 21, 1988.

These families pursue justice more than they pursue vengeance, even if that emotion is not totally absent from their thoughts.

The Pan Am bombing set off the most wide-ranging international criminal investigation in recent history.

The bombing of Pan Am 103 was a crime against America as well as against individuals.

21, 1988. Many have dedicated themselves to making sure that this monstrous crime does not get swept under the rug.

None of us can feel what the families have suffered, no matter how hard they try to make us do just that.

As a sovereign government, Libya cannot be sued by the families or anyone else without Libya's permission.

Pan Am 103 appropriately serves as the defining moment of the

totaling \$500 million in 225 separate cases is now on appeal in the 2d U.S. Circuit Court of Appeals located in New York.

Secondly, the United States government controls \$958 million in Libyan assets, frozen under economic sanctions enacted in 1986 to punish Libya for supporting international terrorism.

The families of the 259 victims live permanently at the center of that vortex; but none of us interested and involved in America's role in the world escape the pull of this crime.

Money is at the root of the latest phase of the Lockerbie case. Some of the victims' relatives called my attention to what they see as an attempt to buy them off to end their relentless pursuit of the Libyans.

Mr. Kreindler turned the deal down, saying that his clients considered it an outrage. He also expressed concern that offers of a deal with Libya could undercut his pending case against Pan Am.

The families I spoke to are determined to seek justice instead of pursuing will-o'-the-wisp Libyan offers. Their anger at Washington insiders who see the Libyans as just another (wealthy) client to be represented or a diplomatic problem to be solved burns intensely.

"The families drive us nuts," a senior U.S. official says. "But they are very effective and keep pushing us to bring the Libyans to justice. As upset as I get with them, I'm glad they are there."

The bombing of Pan Am 103 was a crime against America as well as against these individual Americans. They have thought seriously about the effect on society at large of crimes that are clear but go unpunished. Now so should the rest of us.

The Washington Post

wanted to believe that divorce in the name of self-determination was feasible, the modern, decent way of ending a domestic dispute. Now they have seen the meaning of divorce Yugoslav-style, without benefit of rules and concepts for rights.

The second assumption was that once fighting starts the least outsiders can do—in this case, the most they wanted to do—is to provide humanitarian aid.

That is a terrible question, but it has to be faced. The tendency is growing to respond with "humanitarian aid" to what are essentially man-made, political problems around the world.

These are not responses to acts of nature—earthquakes, floods, droughts—but to deliberately, humanly provoked disasters in which the rewards for abuse of power are enhanced.

The achievements of the blue helmets depend on the good graces of the attackers, who extract a share of supplies as the price and are prepared to block relief to the extent of their desperation.

The answers are not obvious, but it is obvious that the assumptions don't work. Comforting hypocrisy has betrayed the pretense of mercantile action.

It would be better to be brutally honest, and then decide what we can really stand, what we are really prepared to offer.

Flora Lewis

Assad Role Is Clear: On a Brink

By Robert Satloff

WASHINGTON—Bill Clinton made a mistake in praising Hafez Assad for "commendable restraint" in Lebanon. What is needed when Secretary of State Warren Christopher arrives in the Middle East is to try to avert negotiations as an effort to rein in Syrian brinkmanship.

That means making it clear that the administration is not fooled by President Assad's attempt to use force to compel Washington to take Syrian peace demands seriously.

Mr. Assad has again resorted to force by proxy as his preferred negotiating method. The result: The worst border violence in a decade. Mr. Assad has to be held accountable for the fighting. Behind Hezbollah—the Party of God—stand two states. Iran is the spiritual and financial pillar, but material support passes through Syria.

A heightened U.S. role as full partner in the direct bilateral talks will be symbolized by Mr. Christopher's shuttle diplomacy for the next six months. Syria's main goal is Syria, which has made no progress in its talks with Israel and can disrupt any advances the Palestinians might make on their own.

Mr. Assad hopes to improve ties with America, but there is serious doubt that he will make the compromises needed to settle Syria's conflict with Israel. Slogans about "total peace" for talks have revealed Assad's real sort of peace he has in mind.

Prime Minister Yitzhak Rabin of Israel has committed himself to a withdrawal on the Golan Heights; the extent of the pullout is based on the extent of peace. The next move is Mr. Assad's, but for 10 months he has not made it. He wants what President Anwar Sadat of Egypt got (all the land) but refuses to give what Mr. Sadat gave (full peace).

Rocket fire over Israel is Mr. Assad's way of saying that the full over Syria virtually took responsibility for the attacks when his foreign minister proclaimed that Lebanon and Syria are one state and that retaliation against one would be viewed as retaliation against the other.

The flare-up represents the latest chapter of diplomacy by force that is a tradition of Syrian negotiating strategy. When Israel and Syria were locked in a struggle that would lead to the 1973-74 war, disengagement agreement, Mr. Assad signed a war of attrition to raise the pressure on Israel.

In the 1980s, as Israel prepared to withdraw from Lebanon and establish a security zone, Mr. Assad unleashed Lebanese-car bombers against Israeli targets to speed up Israel's evacuation without a comparable Syrian withdrawal.

Mr. Assad truly wants peace, the notion of a bayushas and Mr. Assad does not signify that he is ready to make it happen.

The Syrian press has written much about Bosnia. Editorials have pilloried the UN resolution setting up a Security Council Resolution 242, the foundation of Middle East talks.

The Syrians ask: Will Washington follow up its commitment to Middle East peace as it followed through on its promises to the Bosnians?

After watching the debacle in Bosnia, Mr. Assad may have concluded from the Bosnian Serbs' strategy that attack and negotiation may be the way to win what he wants without offering what is needed in return.

Because Mr. Assad wants a U.S. dividend from the peace process even more than peace with Israel, Washington is in a strong position to try to ensure that he will view the debacle in Bosnia as an exception, not the rule, in U.S. foreign policy.

Mr. Christopher needs to convince Mr. Assad that peacemaking and troublemaking do not go hand in hand. He needs to get the message across that Mr. Assad's alliance with Iran, support for Hezbollah and patronage of Mr. Jibril are inconsistent with Syria's professed desire for peace and eagerness for U.S. intervention to help achieve it.

The writer is executive director of the Washington Institute for Near East Policy, a research and education foundation. He contributed this comment to The New York Times.

A Compromise on Steel

Although the big American steel companies are complaining bitterly, the steel import decisions may not work out badly for them. The issue is penalties on imported steel that is being illegally subsidized or dumped.

In another interesting coincidence, the decisions also suggest elegant diplomacy. These cases had the potential to inflame America's trading relationships with Europe and Japan, greatly damaging the chances for a successful end to the Uruguay Round of world trade negotiations.

Last month the Commerce Department announced that it had found subsidies or dumping in imports of several categories of steel from 29 countries. The remedies would be high tariffs as penalties, but to get them the plaintiffs also had to prove that they are actually being hurt by those imports.

the support of the United Steelworkers union. In all of the cases involving hot-rolled steel, and most of those involving cold-rolled steel, the ITC found that the American companies were not in fact being hurt by the imports. Those are the products in which the big companies are facing fierce competition at home from the mini-mills—namely, low-cost operations using nonunion labor.

The effect is to give the big American companies a substantial measure of protection at the high end of the technology scale. At the low end, the Europeans, Japanese and Brazilians are now free to come in and compete, if they can, with the mini-mills.

The American legal procedures for settling trade disputes are inordinately costly, complex and uncertain. But in this case, even this awkward machinery has produced a useful compromise.

— THE WASHINGTON POST

Other Comment

No Big Change Yet in Japan

It was billed as the occasion when, for the first time in almost 40 years, Japan's political balance would change in a dramatic way. Yet if the general election that Japan held on July 18 was dramatic, then watching paint dry has a great future as a spectator sport.

The big loser was the main opposition group, the Social Democrats, and not the government: the ruling Liberal Democratic Party lost its overall majority, but is still three times bigger than any other party and is likely to dominate a coalition government.

Put the opposition forces together, and you have the potential for the end of the LDP's

monopoly on power. The next battles will determine whether that potential can be turned into an actual and dramatic change. The only clear outcome of the election was that the old alternative government, the Social Democrats (who are really socialists), took a clobbering.

What remains is to build another, credible alternative to the old order. It could be fashioned out of the new parties. It could emerge through further fractures in the LDP. It could eventually be created, after another general election, by a party not yet in existence. It could even be created by a new-look Liberal Democratic Party. The forces for change are there; the first, subtle steps have been taken.

— The Economist (London)

International Herald Tribune advertisement listing staff members like Katharine Graham, Arthur Ochs Sulzberger, and Richard M. Klein.

International Herald Tribune advertisement listing contact information and subscription details.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: China Prepared

LONDON—The attitude of China in respect to the Siam question is put into definite shape in a despatch from Peking to the Standard.

1918: Concrete Vessels

NEW YORK—"Concrete vessels which the Emergency Fleet Corporation is building are twenty percent lighter than the wooden ships, and will be coated with a substance which will make them as durable as steel vessels," asserts the chief engineer of the Concrete Ship Division of the

corporation. "We are assured that concrete ships will last a minimum of several years without any protection. The aggregate from which this new concrete is made is so light that it floats on water, and yet it makes a kind of concrete possessing twice the strength of that used in ordinary building construction."

1943: No Escapes

WASHINGTON—[From our New York edition:] Addressing the nation and the world by radio, President Roosevelt declared tonight [July 28] that "we shall not settle for less than total victory" in a war in which the "first crack in the Axis has come." He reiterated that the United Nations terms to Italy remain the same as to Germany and Japan—"unconditional surrender." As for the ousted Mussolini, he asserted: "He and his Fascist gang will be brought to book and punished for their crimes against humanity. No criminal will be allowed to escape by the expedient of resignation."

OPINION

When America's Politics Gets Nasty

By E. J. Dionne

WASHINGTON — This past week-end, my colleague David Von Drehle reported the reflections of the Arkansas friends of Vincent Foster Jr., President Bill Clinton's deputy counsel who apparently committed suicide. It was a moving article that kept coming back to the search for what it was about Washington and the American style of politics that might have pushed Mr. Foster to make what one person who knew him well called "the only bad decision of his life."

Mr. Foster's friends were not looking for glib explanations of the intensely private despair that pushes a person to take his own life. Rather, they were asking a prior question: Why has politics become such a nasty and often inhuman business?

It's a good question, even though meanings in politics is no recent innovation. Matters have worsened. The polls show that Americans trust people in public life much less than they did 30 years ago. Campaigns have always been rough, but politics now runs to permanent, inoperative, in season and out.

The politics of nastiness has no single source, but it is rooted in the fact that the country is passing through a series of crises for which neither the politicians nor the idea mayers on whom they rely have satisfactory answers.

No one, for example, fully understands how to deal with the global economy's impact on living standards. Nor is it clear what steps would genuinely transform the lives and aspirations of inner-city kids growing up in the midst of violence, family breakdown and joblessness.

One could multiply these examples, but the point is that politicians are in a bad

spot when it comes to promising what they usually have to promise: that they will cure whatever ails us. The late Sam Elyin once said that when both the evidence and the facts are against lawyers, they pound the table. When the answers escape politicians, they pound each other, often viciously.

It is easier to call Bill Clinton and Ted Kennedy (or George Bush and Newt Gingrich) scoundrels or worse than to admit that the problems at hand are hard to solve and that it will require a lot of experimentation — and, yes, some public money down the drain — to come up with even partial answers.

When politicians are not assailing each other, they feel obliged to duck and evade — which deepens the cynicism that feeds the nastiness. Republicans don't really want to argue strenuously that they oppose raising taxes on the wealthy, so they pretend there is an easy way to balance the budget. Democrats don't want to say that some of their social programs will fail or have unintended consequences or deal with only part of a problem. So they overclaim, overpromise — and disappoint.

Voters encourage this behavior when they tell pollsters that half of what the government spends is wasted. This view puts voters in the convenient position where they can demand that government do more and tax less at the same time. Government is always asked to clean up after calamities — floods, hurricanes, bank failures, factory closings. But if it's not your calamity, you can write off these

activities with epithets like "giveaways," "bailouts" and "bloated government."

There is another difficulty that may especially affect those of us in journalism. It might be called the advent of tough-mindedness.

It is obviously naive to think that politicians are motivated only by the public good and never, ever think of things like re-election, higher office and, in some cases, their own pocketbooks. There are a lot of opportunists out there, and the grubby quest for campaign contributions that the American system requires can make even the most honest pole bend.

But it is equally naive (although much more popular) to think that politicians or their aides absolutely never, ever act from motives higher than the crass and the selfish. Many of the conflicts in politics are explained not by corruption or even by stupidity but rather by genuine differences of opinion over — it's strange to say, I know — the right thing to do.

The vicious cycle is completed by the phone of the best people in politics: the philosophically committed activists, left, right and center. Their problem lies not in fighting their opponents but in demonizing them. Your adversary can't simply be wrong; he or she has to be a baby-killer or a woman-hater or a racist or a "quota queen." Name-calling is especially widespread on emotive issues like abortion, affirmative action and gay rights. But it also seeps into the more quotidian matters of spending, trade and health care.

The issue here is not that politics should be "nicer." Nor is there any way around the sort of fierce but necessary scrutiny of matters such as the problems



with the White House travel office or the president's appointees that seemed to so dispirit Vincent Foster. But at the same time, one has to ask whether the nastiness of public life is undermining the very capacity for self-government — whether

the toll being exacted falls not only on individuals but also on the ability to reason together, which is what republican government is supposed to be about.

The Washington Post.

Spreading It Around In the Sweaty Family

By Ron Nyswaner

Paramount Pictures decided to do something quite nice for several people connected to its new film "The Firm." The studio bought new \$100,000 Mercedes-Benz 500 SL convertible two-seaters for the filmmakers and star. "The attempt is to make this a warmer and more human place, where people feel part of a family," Paramount Chairman Sherry Lansing said.

—The New York Times, July 12

NEW YORK — The other morning, I stopped into Bridget's Press and Go to pick up my dry cleaning. The air conditioner was down, the place smelled like formaldehyde. Sweat covered Bridget's forehead as she heaved my clothes off the motorized rack. I could see she was working hard, really hard. I felt something. Gratitude, guilt. I decided then and there, I

MEANWHILE

had to let Bridget know she was appreciated. I stepped into the back room, where I had a closet full of shirts. "That's \$35," she said, holding out a hand muscled from years of tying hangers together with twist-ies. It occurred to me that Bridget was merely doing her job and being well paid for it. Wasn't that appreciation enough?

"We fixed the hem of your trousers," she said. "No charge." There it was. She had gone the extra mile. Strangers do only what they have to do, but Bridget had done more than I had asked. The way your family is supposed to do more than is required, I realized. Bridget was family.

"Take my Rolox," I said. "What?" She was confused. But I wasn't. I was opening my arms to a member of my extended family. It was a small gesture, but one that would turn the sweeter dry cleaning shop into a warmer, more human place. "I want you to know I appreciate what you've done," I said.

Bridget seemed moved, but she didn't take the watch. "Mr. Nyswaner," she began. "Please," I interrupted. "Call me Ron. No, call me Ronnie Lee." It's what my mother had called me until my 13th birthday. I'd always hated the name, but hatred is also a family feeling. "You're working so hard, Bridget. I insist."

"I'm not working that hard," she said. "Not as hard as Tim." She pointed to a young man on a ladder, his head swallowed up by the silent, 20,000 Btu air-conditioning unit. His uniform was soaked through with sweat. He was working very hard.

"Usually, I've got air-conditioning," Bridget continued. "Even when it's 105. But think of Tim. He never gets his job in air-conditioning, since it's his work to fix the air conditioner."

She had a point. "Tim?" "Huh?" echoed from the unit. "I want you to take this," I held out the \$300 watch. "Because you work so hard, and I want you to know I appreciate it."

"Wait a minute, damn it..." Tim's sleeve was caught on a Freon tube. So I returned my attention to Bridget, still concerned about showing my appreciation for the repaired hem. I handed over the keys to my truck.

"It's red," I said, apologetically. "But if you don't like red, I'll pay to have it repainted. Your spouse can choose the color."

At that moment, Bridget's spouse, Irving, backed away from a press. His face beet-red. I could see that Irving was working hard. "Does it have a driver's side airbag?" Irving asked. Finally, someone was getting into the family spirit!

Just then Armand, my plumber, stepped into the shop to pick up his head-to-toe protective jumper that filters out the asbestos fibers floating around my craw space. Here I was drawing Bridget and Irving and Tim into my family, and I had completely forgotten Armand! It was one of those awkward moments.

I'll never forget the look on Armand's face when I handed over the deed to my house. Later, standing on the highway holding my dry cleaning, homeless, without a vehicle, I reflected with satisfaction on my new, extended family. The sun was beating down as I stuck out my thumb to hitchhike to God knows where, but at least I was finally beginning to feel warm and human. Really, really warm.

Mr. Nyswaner, screenwriter of the forthcoming film "Philadelphia," contributed this tale to The New York Times.

LETTERS TO THE EDITOR

The Missing Link: Marker for Compassion Gene

Regarding "Science Ought to Stay Out of the Gay-Rights Fight" (Opinion, July 24) by Charles Krauthammer:

Mr. Krauthammer points out that science produces facts that are ambivalent at best. He includes the question: Does science tell us anything at all about how society ought to treat diabetics, alcoholics and schizophrenics?

No, science doesn't tell us that, but what distinguishes human beings from computers and beasts is our capacity for compassion.

Diabetics, alcoholics, schizophrenics and homosexuals are human beings, our brothers and sis-

ters, and we should love them.

LEONARD NALENCZ, Richmond upon Thames, England.

Regarding "The Gay Gene: Rights Boon or Portent of Danger?" (July 19) by Natalie Angier:

The writer states that "liberals, who in the past dismissed a genetic explanation for such traits as intelligence, find themselves embracing the idea that sexual orientation is innate." I never met a liberal who rejected the idea that parents' genes had an influence on the IQ parameters of their offspring. Which liberals, and how far back in the past, did the writer have in mind?

RICHARD WILSON, Mobile, Alabama.

French Barricades

Regarding "Bring Down Those New Bastille Walls" (Opinion, July 12) by John Vinocur:

I disagree. No European country has ever offered foreigners more opportunities than France. Out of hundreds of cases of immigrants who did well in France, just think of two Italians: Yves Montand and Pierre Cardin. But now it is impossible for France to absorb people from so many different cultures. France is entitled to defend its old national identity.

WALTER MACCOTTA, Rome.

Nowhere in the article does Mr. Vinocur mention France's large

unemployed population. With unemployment so high, it would be folly not to expel illegal immigrants. Furthermore, not only should France come down hard on illegal immigrants but it should also come down hard on those people who hire them.

PETER ADAMS, Paris.

Reform in Seoul

Regarding "Kim the Reformer Is Out on a Long Korean Limb" (Opinion, July 10) by Donald Kirk:

In many respects, the new president of South Korea, Kim Young Sam, is different from his predecessors, all of whom vowed at the

Kurils: Yes, but...

Regarding "Russia Agrees to Talk With Japan About Kuril Islands" (July 9) by Steven Brull:

Few would question the fact that Kuril Islands should be returned to Japan. As Prime Minister Kiichi Miyazawa told President Boris Yeltsin: "Complete normalization of Japanese-Russian bilateral relations would open up great prospects for necessary cooperation, not only bilaterally but also for cooperation in the Asia-Pacific region."

But this land-for-money deal is related to World War II. During that period Japan committed war crimes all over Asia. Nazi Germany did the same in Europe. The difference is that the Germans apologized to the world for what they did. Return the land to Japan. Get aid from Japan. But if Japan is eager to improve cooperation in the Asia-Pacific region, obtain something more: Official apologies to the Asian men and women whose parents were murdered, tortured, raped and exterminated by the Japanese Imperial Army.

These official apologies would not hurt the Japanese people's feelings, as many Japanese are fully aware of what was done during that period, and of who was responsible for it.

PASCAL DAUMAS, Paris.

No Change of Heart

Regarding "Mideast: All Stand to Gain" (Opinion, June 14):

Shibley Telhami lists Libya's authorized pilgrimage by private citizens to Jerusalem as a symptom of improvement. That pilgrimage turned out to be a calculated plat-

form from which to attack Israel and Saudi Arabia, to the deep embarrassment of the Israeli government.

TESSA L. AUMAN, Jerusalem.

Blame Croatia?

The obvious intent of the editorial "Secure the Safe Areas" (June 14) is to put the blame on Croatia and the Croats of Bosnia for the

war in Bosnia. First of all, the Croats of Bosnia did not reject the Bosnian government's declaration of independence more than a year ago but rather participated in it along with the Muslims. Croatia also has taken in more than 200,000 Bosnian exiles, the majority of whom are Muslim.

The Croats of Bosnia were the first to defend the territorial integrity of Bosnia against Serbian aggression through the Croatian Defense Council forces when no Bosnian army existed. Croats were the first to sign the Vance-Owen peace plan, while Serbs rejected it and Muslims signed reluctantly.

P. RAJIC, Rome.

GREENWICH VILLAGE: Culture and Counterculture

Edited by Rick Beard and Leslie Berlowitz. 420 pages. \$29.95. Rutgers University Press.

Reviewed by Jonathan Yardley

THE Manhattan neighborhood known as Greenwich Village, George Chauncy writes in an essay on homosexual life there, over the years "came to represent to the rest of the city what New York as a whole represented to the rest of the nation: a peculiar social territory in which the normal social constraints on behavior seemed to have been suspended and where men and women built unconventional lives outside the family nexus."

The Village has been home to visionaries and poets, radicals and eccentrics, not to mention frauds,

opportunists and cheats; it is, as the editors of this useful if incomplete volume write, "one of the world's most noted centers of difference."

As both New Yorkers and visitors know, the Village is also a place of considerable physical charm. Centered on Washington Square, it has managed to retain a relatively low skyline by contrast with those immediately to its north and south, thereby achieving architectural and aesthetic as well as cultural difference. For tourists it is an obligatory stop, offering as it does a glimpse of the bohemian life; some of them return to set up their own lives as Villagers, in the process reinforcing the notion that it is a tickle candy. Duncy's hearts were established and the club ace was available as a trapeze.

In the replay the French defenders led diamonds at every opportunity and defeated three no-trump, gaining 10 imps.

As an important and interesting question about the Village, one that is addressed only glancingly in these essays and photographs, is

BOOKS

whether the bohemian atmosphere for which the Village has so long been celebrated, or notorious, anything more than mere atmosphere. Is the Village a place where serious art and writing are accomplished, as well as serious political and social action, or is it just a place where going through the motions of bohemia and cashing in on their tourist appeal are of greater consequence than the art upon which its reputation rests?

Although these essays describe at length the intellectual history of the Village, they do not in fact contain a great deal of evidence to indicate that it has contributed as much to American culture as the authors would have us believe.

H. L. Mencken inclined to the view that "the Village, like the Paris Left Bank, was much less literary or artistic than sexual," a judgment that this volume does little to refute. Certainly there have been writers, artists and others who have managed to reside in the Village and do serious work as well — e.g., Cummings, John Sloan, Theodore Dreiser, Emma Goldman — but all too many of those whose names have become synonymous with the Village are more noted for flamboyance and self-promotion than for real accomplishment.

Thus it is that any history of the Village, this one included, is populated by the likes of Mable Dodge, Jane Heap, Elsa von Freytag-Loringhoven, Guido Bruno, Clara Tice, Romany Marie, Tiny Tim, Julian Beck and Judith Malina.

Most of them are deservedly long forgotten, having made no marks more lasting than the ephemera to which their lives were devoted; these endeavors ranged from presiding over salons to inventing outfits to serving as major (or

majorette) domos of bars and restaurants, but they had in common a preoccupation with promoting the names and fortunes of the entrepreneurs in question rather than creating anything of lasting value and/or influence.

In fact, as a number of these essays indicate, artistic activity both actual and bogus is a relatively minor part of the Village's past. Readers unfamiliar with the history of New York City are likely to find more of interest in essays about the Village's distant past than those dealing with matters of more recent vintage, for in these pieces we are granted a few glimpses of a "sleepy country town" that evolved over the years into a "popular resort for fashionable day-trippers" and then into the "Old New York" celebrated and mourned in the fiction of Henry James and Edith Wharton.

Few vestiges of that era remain; apart from the houses along the northern border of Washington Square, the Village bears virtually no resemblance to the place that James and Wharton knew. Yet if its residents have changed, it is still primarily a residential place. As one of these essayists points out, it has never had an industrial base; its commercial base, though broad, is also shallow. Thus its economy and character largely depend on those who live there, who as it happens are these days a considerably more conventional lot than the neighborhood's reputation would lead one to suspect.

There are more stories to be told about Greenwich Village than are to be found here, but within its limits this is an informative, interesting book.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

THERE were some major surprises in the European Championships, sponsored by Generali, an Italian insurer, which ended last month in Menton, France. It was not surprising that Poland won the open title, but neither France, the reigning Olympiad champions, nor Iceland, the reigning Bermuda Bowl champions, did well enough. A minor consolation for the French was that one of their players, Michel Lebel, played one of the best hands of the championships. On the diagrammed deal, played against Slovenia, he played in three no-trump after a Jacoby transfer response by his partner, showing hearts.

The diamond opening lead, using a fifth-best style, was ducked in dummy and South dropped the nine under East's queen. East feared that South held the diamond jack and shifted to a heart, a timid decision that proved fatal. South finessed the heart queen, losing to the king, and West had lost a crucial entry. He reverted to diamonds and South ducked again in dummy. East won with the king and played a third round of diamonds to the ace. This established two

winners in the West hand and was apparently good enough to beat the contract. But Lebel was ready with a stunning play. On the third diamond lead he discarded his heart ace. He continued by leading the heart ten from the dummy, driving out the jack, and scored the rest of the tricks easily. Dummy's hearts were established and the club ace was available as a trapeze.

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As an important and interesting question about the Village, one that is addressed only glancingly in these essays and photographs, is

whether the bohemian atmosphere for which the Village has so long been celebrated, or notorious, anything more than mere atmosphere. Is the Village a place where serious art and writing are accomplished, as well as serious political and social action, or is it just a place where going through the motions of bohemia and cashing in on their tourist appeal are of greater consequence than the art upon which its reputation rests?

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WHAT THEY'RE READING

Eberhard Diepgen, mayor of Berlin, is reading "Die Berliner Lektoren 1991," a collection of articles adapted from speeches by people such as Andre Glucksmann, Nadine Gordimer and Yehudi Menuhin.

Diepgen missed the Berlin evening of readings by the authors, so is looking at the book instead. "I benefited greatly and profited from the wisdom of these people." (Michael Kallenbach, IHT)

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HEALTH/SCIENCE

Rain Forests: Destruction Is Not New

By Carol Kaesuk Yoon
New York Times Service

P UERTO VIEJO DE SARAPIQUI, Costa Rica — For decades, La Selva, a lush, dripping jungle filled with towering trees and swinging vines, has served as the quintessential example of the pristine rain forest, untouched and unchanged for millennia.

In the very forests biologists have long prized as pristine, pot shards and the remnants of ancient crop fields are now turning up. And ecologists say they are being forced to reformulate their ideas about how the world's rain forests came to be and how best to manage them.

While ecologists have known for some time that many rain forests have been inhabited by humans and that these wet jungles can be burned, the idea has lived on that somewhere there remained the forest primeval, a wood that has never felt the heat of a fire or the blade of an ax.

"This is really a grand conceptual change for ecologists from the idea that tropical rain forests are stately, stable cathedrals to recognizing how much they change at all different kinds of scales of time," said Dr. Deborah Clark, who shares the position of station director at the La Selva Biological Station with her husband, Dr. David Clark.

THOUGH the view of a pristine tropics has fallen, ecologists say the new studies are encouraging, as are more resilient than scientists had thought. It seems they can recover well from some kinds of human disturbance.

spring back much more quickly than expected.

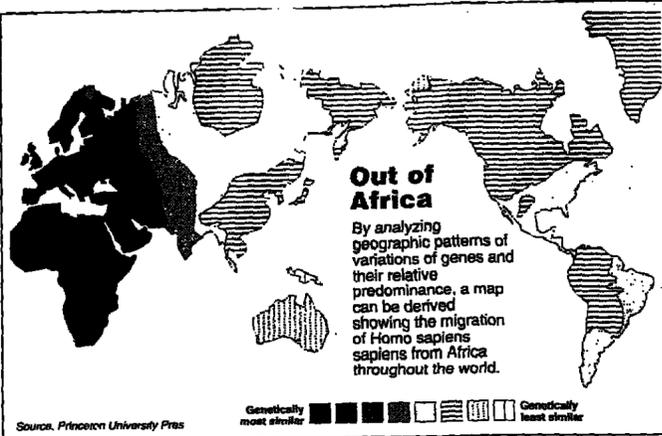
Ecologists will be announcing the new studies at the annual meeting of the Ecological Society of America, which begins on Saturday in Madison, Wisconsin. Meanwhile, for the first time researchers are trying to pull together the big picture on the workings of this messy and complicated habitat. A new book entitled "La Selva: Ecology and Natural History of a Neotropical Rainforest" (University of Chicago Press), edited by Dr. Lucinda McDade and her colleagues, is scheduled to be published this fall.

Dr. Buck Sanford and his colleagues have provided the first data indicating that La Selva's "virgin" forest was once burned and cultivated. Dr. Sanford said the rain forest appears to have been used for slash-and-burn agriculture, with charcoal found in the soil radiocarbon-dated at 2,000 and 1,200 years old.

Dr. Mark Bush, a paleoecologist at Duke University, said La Selva's history is far from unique. He has found evidence that over the last thousands of years, humans have been burning forests to farm them throughout the New World tropics. Sifting through cores pulled from deep in ancient lake beds, Dr. Bush and colleagues have found corn pollen along with charcoal signatures in mud 300 to 6,000 years old.

"In the Darien Gap forest we thought we'd see a long history of no change," Dr. Bush said. "The forests look wonderful, bigger trees than you see here in La Selva, capybara everywhere, king vultures everywhere. It just looked really pristine. But sure enough 4,000 years ago there was maize cultivation."

Moreover, said Dr. Sanford, an ecologist at the University of Denver, the story appears to be the same all over the world. "Almost everywhere we go in Latin America, and Asia and Africa, we find charcoal buried in the soil. People have in one way or another cut and burned almost every place in the tropics."



Source: Princeton University Press

Out of Africa

By analyzing geographic patterns of variations of genes and their relative predominance, a map can be derived showing the migration of Homo sapiens sapiens from Africa throughout the world.

Overlapping Migrations into Europe

Dr. Luigi Luca Cavalli-Sforza has devised maps based on multiple blood and gene markers to depict ancient migrations into Europe. The top map traces a migration out of Anatolia starting about 10,000 years ago. The people, the first farmers, gradually replaced indigenous European hunter-gatherers. The second map traces a movement of people from the Russian steppes 6,000 to 4,000 years ago; they had domesticated the horse and used it in armies.



The New York Times

Human Genes Give Clues to Ancient Migrations

By Louise Levathes
New York Times Service

NEW YORK — The genes of modern populations carry the encoded history of humans' remote past and their early wanderings around the globe. Deciphering that history has been the preoccupation of population geneticists for a century, but key pieces of information have begun to fall quickly into place only in the last 10 years, since the advent of rapid methods for working out the chemical sequences of genes.

Standing in the midst of this giant jigsaw puzzle is a soft-spoken, Italian-born scientist with the mind of a mathematician and the interests of a philosopher: Dr. Luigi Luca Cavalli-Sforza. Perhaps more than anyone else in his field, Dr. Cavalli-Sforza, a 71-year-old genetics professor at Stanford University Medical School, has been able to make sense of the whisperings of human ancestors that are recorded in the

genes of present-day people. His graphic maps make evident at a glance the patterns of ancient migrations, and they hint at some of the events that may have prompted them.

Next year, Dr. Cavalli-Sforza and two co-authors, Dr. Paolo Menozzi and Dr. Alberto Piazza, will be bringing out a book that has taken 12 years to produce: a genetic atlas called "The History and Geography of Human Genes," to be published by Princeton University Press. The authors are also the movers behind the Human Genome Diversity Project, an ambitious effort to arrange for the collection of DNA samples and anthropological information from 25 individuals in each of 400 targeted populations around the world.

It will be the first time such information has been systematically collected from so many populations and should allow geneticists to reconstruct the history of the world's populations in detail.

In the United States, the Human Genome Diversity Project has received start-

up financing from the National Science Foundation, the National Institutes of Health and the Department of Energy. Although the project is barely off the ground and future financing is far from certain, Dr. Cavalli-Sforza and his staff are preparing computer programs for the mountains of data the new research is expected to generate.

The story emerging from Dr. Cavalli-Sforza's studies, as reported in a recent issue of the journal Science, confirms and extends the findings from other fields of inquiry into human origins. The genetic studies bear witness to two major phases of human expansion: the first was the movement of Homo erectus out of Africa one million to two million years ago; the second was the spread of Homo sapiens around the globe, beginning 100,000 years ago and reaching every continent 60,000 years ago.

Because the genetic makeup of African populations today displays such wide diversity in the DNA of mitochondria, ce-

lular structures that supply energy and are inherited solely through the mother's line, Dr. Cavalli-Sforza believes this second wave of migration also originated in Africa. At this time, the human brain reached its present size, and he contends that language and the use of boats and rafts, common about 55,000 to 60,000 years ago, supported the spread of populations into every continent, even Australia. After this primary phase, local expansion patterns became more complex and more difficult to decipher, he says.

By analyzing patterns of geographic variation of genes and their relative importance, Dr. Cavalli-Sforza has identified several strong patterns of expansion in Europe. In general, in choosing contemporary populations to study, he has concentrated on aboriginal people who were in place before the great age of European colonial expansion in the late 15th and 16th centuries and has avoided modern cities, where the recent intermingling of peoples tends to obscure the genetic record.

Confirming the general picture pieced together by archeologists and linguists, he finds that after the introduction of agriculture in the Middle East about 10,000 years ago, farmers from there spread at a rate of about one kilometer, or five-eighths of a mile, a year, eventually settling throughout Europe.

These early farmers replaced the nomadic hunter-gatherers, and their sole direct survivors are believed to be the Basques, who are genetically and linguistically far removed from other Europeans.

Dr. Cavalli-Sforza's work has also given a genetic foundation for a controversial theory of Dr. Marija Gimbutas, of the University of California at Los Angeles, that between 6,000 and 4,000 years ago, an expansion of people began in the area of the southwest Russian steppes, where the domestication of the horse took place. The people in these regions migrated very rapidly across Europe, spreading their language, which is the common mother tongue from which all European languages derived, the theory says.

Global Warming? Satellite Data Don't Back Theory

By Boyce Rensberger
Washington Post Service

WASHINGTON — If there has been a planetary-wide warming trend over the last decade and a half — a claim repeated so often in recent years that many assume it is an established fact — it ought to have shown up by now in the 15 years of temperature readings taken by a network of Earth-orbiting satellites.

So said James Hansen, the Goddard Institute for Space Studies scientist who alarmed the world in the late 1980s with his assertion that Earth's atmosphere had been warming since the mid-1970s caused by growing concentrations of carbon dioxide in the air, which trap heat that otherwise would radiate into space. Dr. Hansen bolstered his case with a chart showing that after 35 years of fairly steady temperatures, surface thermometer readings around the world were suddenly showing a warming trend.

Yet no sign of such warming has shown up in the satellite data. "We've had total satellite coverage of the Earth since 1979, and we sure don't see it," said John Christy, of the University of Alabama at Huntsville.

For the last few years Dr. Christy and Roy Spencer of NASA's Marshall Space Flight Center, also in Huntsville, have been processing data collected by satellites operated by the National Oceanic and Atmospheric Administration (NOAA).

Each month Dr. Christy and Dr. Spencer update their analysis, issuing the planetary equivalent of a fever chart. Their latest report shows that in June, as in the 19 previous months, the average global temperature was cooler than the average for the previous decade.

More significantly, instead of a global warming trend, the satellite data show no clear pattern.

Dr. Christy said the warmer intervals coincide with El Niño — the mysterious, periodic phenomenon in which the surface waters of the South Pacific become warmer than usual. Because heat from ocean surfaces supplies the energy that

drives many weather phenomena, this warming sets off major weather shifts around the planet. El Niño appeared in 1983, recurred in 1987 through early 1988 and returned for a prolonged stay in 1990 and 1991.

At the same time, however, Mount Pinatubo erupted in the Philippines in June 1991 and soon reversed El Niño's effect. It spewed tiny droplets of sulfuric acid into the upper atmosphere, where they eventually spread to cover much of the globe. Because the droplets reflected some sunlight back into space, they caused a global cooling.

Overall, Dr. Christy said, there has been no apparent warming trend. "The older method relies on conventional thermometers at weather stations around the world, most at airports and in cities in the industrialized world, plus scattered readings in Third World regions and aboard ships at sea. At some stations, readings have been taken regularly for more than a century. Because the readings are taken just a few feet off the ground, they are relevant to what most living things feel.

A major drawback is that many of the thermometers are in "heat islands" — places that have been artificially warmed by the growth of pavement and cities. Dr. Christy says that this effect creates the appearance of a warming trend. Dr. Hansen said the heat island effect is understood and that thermometer readings are routinely lowered a certain amount to correct for it.

The newer method uses a series of weather satellites that scan the en-

tire surface of Earth several times a day and record the intensity of microwave radiation that comes naturally from oxygen molecules in the bottommost four miles of the atmosphere. The warmer the oxygen, the more intense the radiation. A major advantage of this method is that it averages the whole planet evenly.

Disadvantages are that the readings go back only to 1979 and that, instead of measuring the temperature near the ground, it measures an average for the bottommost four miles of atmosphere. So it's less relevant to life on the ground, though perhaps more relevant to cloud formation, which cools the surface in the daytime and warms it at night.

Moreover, Dr. Hansen points out, the satellite microwave readings can be thrown off by water droplets and other particles in the air that interfere with the microwaves' path to the satellite detectors.

Nonetheless, "if there's a greenhouse warming," Dr. Hansen said, "it should be visible in their data. The fact that it isn't tells me there's something wrong with their data. There should be similar trends."

Historic Spanish Fort Sited in Florida

By John Noble Wilford
New York Times Service

NEW YORK — Archeologists have found buried traces of a 16th-century fort in St. Augustine, Florida, and are confident that this establishes for the first time the exact site where the Spanish planted the earliest permanent European settlement in what is now the United States.

Excavations this summer have exposed part of the moat and other artifacts of a structure that archeologists say was almost certainly the first fort built by Pedro Menéndez de Avilés in 1565. He arrived that year with 1,500 soldiers and settlers to found the Spanish colony he called St. Augustine, decades before the English established the Virginia Colony at Jamestown in 1607 and the Pilgrims on the Mayflower landed at Plymouth Rock in 1620.

"This is the original landing site, sort of the Plymouth Rock of Spanish Florida," Dr. Kathleen Deagan, an archeologist at the Florida Museum of Natural History in Gainesville and director of the excavations, said.

Dr. Deagan said she was not sure if these are the remains of the first Menéndez fort or of one built soon

afterward. But "we feel confident that we have now finally located the original settlement and associated fort complex of St. Augustine."

Researchers have been searching for the Menéndez forts for more than 60 years. Historians examining colonial documents had determined that the most likely site was slightly north of the Castillo, a 17th-century Spanish fort that stands today on the St. Augustine waterfront. They thought it might be found on the grounds of what is now the Fountain of Youth Park, or near an adjacent Roman Catholic shrine.

And there on the grounds of the shrine of Nuestra Señora de la Leche, which honors motherhood and breast-feeding with a statue of Mary nursing the infant Jesus, is just where Dr. Deagan found the evidence for the 16th-century fort.

In three weeks of digging this month, Dr. Deagan and a team from the University of Florida, where she is also a professor of anthropology, discovered what the researchers said could only be the remains of a moat. Changes in the coloration and texture of the soil marked the moat's dimensions at 14 feet wide and 3 feet deep (about 4 meters by 1). The length has not been determined. Mixed with the soil filling in the former moat are numerous Spanish and Indian ma-

terials from the 16th century. Soil stains reveal where a row of wooden posts once stood, presumably part of the palisade.

Other excavations around this site in recent years had turned up 16th-century Spanish artifacts, including traces of houses and the ruins of a well lined with wooden barrels in a style that could only be European. Archeologists were becoming convinced that this was the original 1565 campsite. But Dr. Deagan said that until now there was "nothing we could definitely say was a fort."

With the French out of the way, the only obstacle to the Spanish colony would be the Seloy tribe of the Timucuan nation. At first, relations were amicable. The Seloy chief let the Spanish use his long house, a large oval or circular structure with thatch roof that could accommodate up to 300 people.

The Spanish proceeded to fortify the long house, called a *hujia*, digging a moat around it, throwing up a breastwork of earth and erecting a wooden palisade. In seven months the Indians turned on the Spanish and burned the long-house fort. The fort was rebuilt, and when a relief fleet arrived in the summer of 1566, a more substantial triangular fort was constructed on or near the site of the original fort. That, too, was destroyed, in a troop mutiny in 1570.

It was then that the settlement was moved less than a mile south to the present site of downtown St. Augustine.

Embattled Fossil Dealer Keeps on Digging

New York Times Service

NEW YORK — Undaunted by a year of FBI raids, subpoenas, the prospect of federal indictments, pressure from half a dozen government agencies and uneven support from academic paleontologists, a South Dakota fossil dealer is still digging for dinosaurs and has just bagged a new Tyrannosaurus rex, its third in two years.

Robert Farrar, an officer of the beleaguered Black Hills Institute of Geological Research of Hill City, South Dakota, a commercial dealer in fossils, declined to disclose the site in northwest South Dakota where the new tyrannosaur had been found, but he said the skeleton appeared to be fairly complete. But discovery and excavation are the least of the Black Hills Institute's problems. The resolution of its most pressing problem — a battle with the federal government over custody of its fossils — will have

important consequences for academic paleontologists, museums and amateur fossil hunters, as well as commercial dealers. A welter of ambiguous and sometimes conflicting laws and rules on collecting fossils has often placed professional paleontologists and amateurs in relationships of questionable legality. New rulings on the Black Hills case could settle some of these ambiguities.

The Black Hills company gained national attention last year when a platoon of FBI agents and National Guardsmen raided its Hill City workshop and seized its best specimen, the most complete tyrannosaur fossil ever discovered.

That dinosaur, nicknamed "Sue" after her discoverer, Sue Hendrickson, was excavated by the company in 1990 from the property of a Cheyenne River Sioux Indian, who was paid \$5,000 by Black Hills. But the Justice Department contends that the deal was illegal. Its

lawyers argue that the land was not private property but tribal land. The federal government holds it in trust and it is exempt from taxes, so it cannot be exploited for fossils without the prior consent of various federal agencies, the department says.

The FBI seized Sue's bones and shipped them to the South Dakota School of Mines and Technology in Rapid City, South Dakota, where they have been stored under a federal seal ever since. In a series of court tests, experts testing for Black Hills have argued that long-term storage at the school will damage the bones, while experts testing for the prosecution contend that the bones are safe.

Earlier this year, Federal District Judge Richard H. Batten ruled against the institute in its effort to regain custody of Sue, but that case is on appeal, and a federal grand jury is considering whether to bring charges.

Continued fighting in Lebanon
Currency tensions in the EC
...and currency chaos in Russia
China's export drive
Renewed terrorism in Italy

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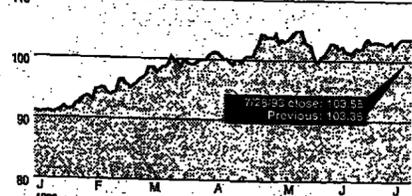
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THE TRIB INDEX: 103.55

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev.	Change
Asia/Pacific	25%	122.50	122.39	+0.11
Europe	4%	98.11	97.33	+0.78
N. America	30%	92.90	93.38	-0.48

Industrial Sectors	Close	Prev.	Change
Energy	103.28	102.51	+0.77
Utilities	109.80	109.03	+0.77
Finance	114.16	113.90	+0.26
Services	111.91	111.41	+0.45
Capital Goods	99.92	100.21	-0.29
Raw Materials	101.76	102.04	-0.27
Consumer Goods	85.49	85.84	-0.35
Miscellaneous	100.71	99.95	+0.76

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92291 Neuilly Cedex, France.

INTERNATIONAL MANAGER

In Office Computer Wars, Management Strikes Back

By Allen R. Myerson
New York Times Service

NEW YORK — The personal-computer revolution was supposed to transform the office into a high-tech, high-efficiency web of concentration. And maybe it has. But it's also turning it into an electronic sandbox. Computer games, bulletin boards and electronic message systems are creating countless new ways to goof off.

Industry executives estimate that millions of games infiltrate offices each year, despite widespread rules against illicit software or unauthorized computer use. The personal-computer industry, after all, was created by young firebrands who wanted to liberate office computers from bureaucrats and engineers. Some executives still say games are harmless and can even be training tools.

But many a tolerant boss has turned tougher. Richard A. Shaffer, chief of Technology Partners, mounted a counterattack a few years ago against the advance of Tetris and Amos Alley, telling his staff that the deadlines for the 40 computer newsletters they produced should be extended if they were playing Tetris.

When cyberbosses get angry, though, they're the ones with computing power on their side: software that lets them explore employees' hard disks, read messages they've sent, even see what's on their screens.

The Software Publishers Association, which wants to curb piracy, encourages them to sneak around after hours with a program that can find games. "It kind of surprises management," said Hene Rosenthal, the association's general counsel. "They don't know that all these games are on the hard drives of employees."

EDS, the data-services concern that was founded but is no longer owned by Ross Perot, deploys a wide array of psychological and electronic weaponry. Data-security consultants scour workers' computers. The company encourages employees to tell "When someone's sitting playing a game, the other employees are pretty angry," said Todd Carlson, chief of computer operations. "In some cases they go to managers. In other cases they call our hotline."

Still, some bosses think that's not enough. Thomas R. Peltier, who wrote computer rules for General Motors and EDS and is now a consultant, once worked with a security officer from a military base in Hawaii. The officer's tactic for ensuring that workers stuck to their programs? "I pack a gun," he said. "I put them in the brig."

CURRENCY & INTEREST RATES

Country	Rate	Country	Rate
Germany	1.48	Japan	1.50
France	1.45	UK	1.40
Italy	1.40	Spain	1.35
Canada	1.30	Australia	1.25
Switzerland	1.20	Sweden	1.15
Denmark	1.10	Norway	1.05
Netherlands	1.05	Belgium	1.00
Austria	1.00	Portugal	0.95
Greece	0.90	Finland	0.85
South Africa	0.80	India	0.75
South Korea	0.70	Hong Kong	0.65
Singapore	0.60	Taiwan	0.55
Malaysia	0.50	Philippines	0.45
Indonesia	0.40	Thailand	0.35
China	0.30	Sri Lanka	0.25
India	0.20	Pakistan	0.15
Bangladesh	0.10	Nepal	0.05
Myanmar	0.05	Laos	0.02
Vietnam	0.01	Cambodia	0.00

For EC Steel Firms, No Celebration Deadline Approaches for Tough Decisions on Cuts

By Tom Buerkle
International Herald Tribune

BRUSSELS — For Europe's steel industry, Tuesday's U.S. ruling rejecting duties on most imports was the easy part of its painful restructuring, removing a threat to some \$400 million a year in steel sales.

The going is about to get much harder. European Community ministers are racing against the clock to persuade state-owned steelmakers in Italy, Spain and the former East Germany to shutter plants and kick the habit of billions of dollars in government subsidies by next month. Only then will private-sector producers chip in and make big cuts themselves in capacity and jobs.

"It cannot make sense to support and subsidize inefficient producers at the expense of the efficient," Chairman Brian Moffat told shareholders at British Steel's annual meeting in London on Wednesday.

But success in this effort is far from certain to come by the Community's self-imposed deadline at the end of September. With steel-consuming industries such as autos and construction depressed and every major EC steelmaker running heavy losses, Brussels estimates that the steel industry needs to cut capacity by nearly 20 percent to restore its health. That means shutting at least 30 million tons of crude-steel capacity and putting more than 70,000 of its nearly 400,000 workers onto the streets.

Inflating that pain in the midst of a recession and finding ways to share cutback costs

of perhaps 8 billion European Currency Units (\$9.04 billion) will not be easy.

"It will be very tough to reach these 30 million tons, very tough," said Barbara Haas, a steel analyst at Deutsche Bank Research in Frankfurt.

More than in most industries, she said, decisions on shutting huge steel plants reach far beyond profit-and-loss calculations, large though the numbers are. "In most cases, it's a political and social problem as well," Mr. Haas said, as many of the steelworks are in "areas where there are no alternatives" for employment.

The EC Commission, however, itself has no alternative to the drastic cuts. The competition commissioner, Karel van Miert, has warned that failure to agree on a plan to shrink the state-owned steelmakers and their subsidies when EC industry ministers meet Sept. 21 could trigger a wild grab for government aid by ailing producers, public and private alike. In an industry that soaked up 125 billion Deutsche marks (\$72.6 billion) of public subsidies between 1975 and 1991, that is no idle threat.

Mr. van Miert last week persuaded the Italian government to drop a plan to absorb 4 billion euros of debt of the state-owned steelmaker Ilva, but Rome has not yet shown any willingness to cut Ilva's capacity by the 3 million tons, or nearly 30 percent, that Brussels is seeking. Mr. van Miert has given the government a month to draw up a new restructuring plan, but analysts say it may not come before October.

Mr. van Miert made no apparent progress toward toughening up Spain's restructuring plan in talks with Industry Minister Juan Miguel Equiguayara on Wednesday. The Spanish plan would use subsidies of 600 billion pesetas (\$4.34 billion) to cut 1.7 million

See STEEL, Page 11

Chrysler's Net Quadruples as Ford's Doubles

Compiled by Our Staff From Dispatches

DETROIT — Ford Motor Co. said Wednesday that its second-quarter earnings had doubled, while Chrysler Corp.'s after-tax profit was nearly four times as high as in the same period last year.

Both Chrysler and Ford performed better than Wall Street had expected. The two companies have enjoyed record sales of light trucks and minivans recently, reflecting what analysts say is a pent-up demand for new vehicles.

Ford earned \$775 million in the second quarter, up from \$387 million a year ago. Chrysler reported earnings of \$685 million in the quarter, compared with \$178 million in the 1992 second quarter. The latest results included one-time gains of \$71 million from the sale of Mitsubishi Motors Corp. stock and \$39 million from the sale of its Acustar Plastics operations.

Wall Street analysts had estimated Chrysler would earn about \$513 million, while the consensus for Ford had been for a profit of about \$623 million.

Ford cited higher profit in its U.S. automotive division and a record profit by the Financial Services Group. Chrysler has been a Wall Street favorite and set several sales records for its truck line in the second quarter.

David McCammon, Ford's treasurer, said the quarter was its best in four years despite a loss of \$75 million in recession-weakened Ford of Europe. The British luxury carmaker Jaguar, which Ford purchased last year, is still a loss.

"The big picture is that right now, we're benefiting from not being in Europe," Ford's Mr. McCammon said. "I'd prefer to be in Europe in the long run." (AP, UPI)

U.S. Companies to Appeal ITC Ruling Lifting Duties

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. steelmakers expect to appeal unfavorable rulings in a long-running dispute with foreign competitors, raising the prospect of continued tensions with some of America's major trading partners.

American steel executives announced their intentions to appeal the decision late Tuesday after the U.S. International Trade Commission reached a divided conclusion in 74 complaints filed by American companies against overseas producers. In more than half the cases, the commission found no evidence of harm or threat to U.S. steelmakers, in effect lifting stiff temporary import taxes in several dozen cases.

And while the European Community's vice president for external economic affairs, Sir Leon Brittan, said the rulings that lift duties on some imports of steel "will help to defuse substantially what had become a very grave trade dispute," not everyone agreed. Steel-exporting countries expressed dismay at the fact that the U.S. rulings left taxes in place in a large minority of cases.

An official at Japan's Ministry of International Trade and Industry said of the U.S. decision: "We value that the ITC reversed its decision on hot-rolled and cold-rolled steel imports. But it's regrettable that they did not accept Japan's position on corrosive-resistant steel plate."

In Germany, too, Economics Minister Ginter Rexrodt said he was "disappointed" at the decision to maintain duties on certain types of steel imports. "The EC should take steps within the GATT framework to check whether the U.S. measures conform to GATT rules," Mr. Rexrodt said.

The Dutch steelmaker Hoogovens said it was considering appealing the duties on some of its exports, while Australia, which was also hard-hit, called the decision unfair.

The ITC decision "is obviously a mixed result," said the chairman of Bethlehem Steel, Curtis H. Barnett, speaking on behalf of the industry. "We owe it to our stockholders and to our workers to use every legal means to obtain a fair result in those cases where we did not prevail," he said, adding, "This just isn't over yet."

U.S. producers say they have lost billions of dollars and tens of thousands of jobs in recent years because of cut-rate imports and unfair subsidies.

But the ITC — the final stop in the government's review of the complaints — said 42 of the cases failed to show any harm or threat to the U.S. industry. That finding lifted the temporary duties in those cases, which must be repaid with interest.

(AP, AFP, Reuters)

GM and VW Trade Insults in López Case

By Rick Atkinson
Washington Post Service

BERLIN — The bitter dispute between General Motors and Volkswagen over alleged industrial espionage erupted in public name-calling Wednesday as the two carmakers traded accusations and insults.

The Volkswagen board chairman, Ferdinand Piëch, accused GM's archival GM of missing the German justice system and conducting a vendetta against VW. "This is mudslinging and we will use every means available to come out as winners in the end," Mr. Piëch declared in a nationally televised news conference from VW's headquarters in Wolfsburg.

In language rich with martial metaphors and occasionally apocalyptic turns of phrase, the chairman noted that automakers worldwide had the capacity to make 40 million vehicles annually but were only selling 30 million. The emnity between GM and Volkswagen reflects this "survival struggle," he said. "To me, that's a form of war," Mr. Piëch said. "I don't see a peaceful end to this conflict."

GM's German subsidiary, Adam Opel AG, which has filed a criminal complaint against VW's production chief, José Ignacio López de Arriortua, returned the fire by rejecting Mr. Piëch's charges as "without any substance" and accusing him of sinking to "an amazingly low level."

Opel also scheduled its own news conference for Thursday morning

to further impugn Mr. López, who has been accused by GM of pilfering secret company documents before defecting to VW last March. Mr. López was on vacation in his native Spain.

Mr. Piëch, an engineer whose grandfather developed the famous Volkswagen Beetle, spent more than an hour defending his company, blasting the competition and analyzing the moribund European automobile industry. He reiterated his "full support" for Mr. López, and denied that VW ever received or planned to obtain confidential GM documents.

"From my point of view it is intolerable the way the American GM/Opel group is leading a personal campaign of revenge against Dr. López and at the same time trying to misuse the state prosecutors, the media and the public in order to denigrate our company," Mr. Piëch added.

A GM executive, speaking on condition that he not be identified, said that VW appeared to be trying to appeal to German pride by hinting that an American corporation was unfairly persecuting a home-grown company. Opel has operated in Germany for more than a century and employs some 50,000 workers, most of them German, the executive said. "Does anybody remember where Piëch's passport was issued?" he added. "He's Austrian. And his No. 2," referring to Mr. López, "is a Spaniard."

Merck to Pay \$6 Billion For Health-Care Firm

Compiled by Our Staff From Dispatches

RAHWAY, New Jersey — Merck & Co., the world's largest pharmaceutical company, said Wednesday it had agreed to buy Medco Containment Services Inc., a mail-order supplier of prescription drugs for large companies, for \$6 billion in cash and stock.

Merck and other pharmaceutical companies have seen profits squeezed recently by the greater scrutiny that insurers and health-care providers are giving to prescription-drug costs. The health-care proposal being drafted by the U.S. administration may take that scrutiny even further.

Merck had revenue of \$9.7 billion last year. Medco, based in Montvale, New Jersey, manages prescriptions for employer health-benefit plans covering a total of 33 million Americans.

"What Merck is buying is a distribution channel to managed care," said Kenneth Nover, a strategy analyst at A.G. Edwards & Sons Inc. in St. Louis.

Managed care refers to health plans such as health-maintenance organizations in which patients are restricted to using certain doctors and clinics in an effort to hold down the cost of medical care. Such arrangements are growing in popularity, and Merck's purchase of Medco represents an effort to enter that arena, Mr. Nover said.

Their agreement followed an acknowledgment by Medco that it was talking with various drug companies about some type of business relationship.

Medco's stock soared Wednesday in heavy over-the-counter trading. It closed the day at \$34.125 a share, up \$4.375, on very heavy volume. Merck closed down \$1.375 at \$30.75 on the New York Stock Exchange.

The transaction gives Medco holders a choice of receiving either \$39 in cash or 1.21 Merck shares for each Medco share, Merck said, on condition that the total it pays is 60 percent in Merck stock and 40 percent in cash.

(AP, Reuters, Bloomberg)

REPUBLIC NATIONAL BANK OF NEW YORK

A SUBSIDIARY OF REPUBLIC NEW YORK CORPORATION

Consolidated Statements of Condition

Assets	June 30, 1993		June 30, 1992	
	1993	1992	1993	1992
Cash and due from banks	\$ 426,890	\$ 387,380		
Interest-bearing deposits	6,958,974	9,898,081		
Precious metals	569,874	382,444		
Securities held for investment	10,637,041	8,561,921		
Securities available for sale	75,294	75,294		
Total investment securities	10,712,335	8,637,215		
Trading account assets	700,444	648,616		
Federal funds sold and securities purchased under resale agreements	2,128,370	244,108		
Loans, net of unearned income	4,089,838	4,314,800		
Allowances for possible loan losses	(183,458)	(178,375)		
Loans (net)	3,916,181	4,136,425		
Customers' liability on acceptances	1,033,757	1,096,283		
Premises and equipment	296,154	313,369		
Accrued interest receivable	263,733	262,701		
Investment in affiliate	552,449	541,728		
Other assets	665,307	366,998		
Total assets	\$28,317,528	\$28,825,233		
Liabilities and Stockholder's Equity				
Noninterest-bearing deposits:				
In domestic offices	\$ 913,752	\$ 750,493		
In foreign offices	97,277	82,440		
Interest-bearing deposits:				
In domestic offices	4,268,171	4,457,099		
In foreign offices	13,190,022	12,108,292		
Total deposits	18,469,222	17,398,324		
Short-term borrowings	2,647,055	3,573,441		
Acceptances outstanding	1,038,468	1,103,750		
Accrued interest payable	215,509	278,553		
Other liabilities	1,469,870	959,877		
Long-term debt	1,939,939	1,771,396		
Subordinated long-term debt, primarily with parent	581,124	58,548		
Stockholder's Equity:				
Common stock, \$100 par value:				
4,800,000 shares authorized;				
3,550,000 shares outstanding	355,000	355,000		
Surplus	1,708,628	1,160,654		
Retained earnings	443,813	369,910		
Total stockholder's equity	1,950,441	1,885,564		
Total liabilities and stockholder's equity	\$28,317,528	\$28,825,233		
Letters of credit outstanding	\$ 1,366,719	\$ 1,261,077		

The portion of the investment in precious metals not hedged by forward sales was \$18.7 million and \$17.1 million in 1993 and 1992, respectively.

REPUBLIC NEW YORK CORPORATION

Summary of Results

(In thousands except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1993	1992	1993	1992
Net income	\$ 143,673	\$ 124,303	\$ 74,928	\$ 63,889
Cash dividends declared on common stock	\$ 28,300	\$ 26,083	\$ 14,206	\$ 13,079
Per common share				
Net income:				
Primary	\$ 2.48	\$ 2.12	\$ 1.30	\$ 1.08
Fully diluted	\$ 2.41	\$ 2.08	\$ 1.28	\$ 1.06
Cash dividends declared:				
Primary	\$.54	\$.50	\$.27	\$.25
Average common shares outstanding:				
Primary	52,267	52,069	52,338	52,118
Fully diluted	55,127	55,876	55,201	55,924

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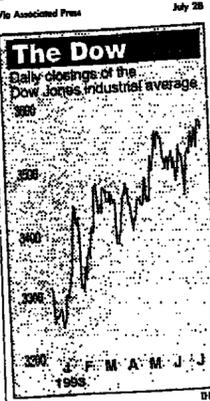
MARKET DIARY

Corporate Earnings Depress Blue Chips

NEW YORK — Blue-chip stocks dropped on Wednesday, depressed by weak corporate earnings reports...

N.Y. Stocks

Stock Exchange outnumbered advances by a small margin. But the Nasdaq over-the-counter index jumped 4.59 points to 705.99.



The Dow Jones Industrial Average

NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Last, and Change.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Last, and Change.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Amex Diary

Table listing Amex Diary with columns for Volume, High, Low, Last, and Change.

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Dow Jones Averages

Table showing Dow Jones Averages: Industrial, Composite, and Utility.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes: Industrial, Composite, and Utility.

NYSE Indexes

Table showing NYSE Indexes: Composite, Industrial, and Utility.

NASDAQ Indexes

Table showing NASDAQ Indexes: Composite, Industrial, and Utility.

AMEX Stock Index

Table showing AMEX Stock Index: High, Low, Close, Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages: 30 Bonds, 10 Industrials.

Market Sales

Table showing Market Sales: NYSE 4 a.m. volume, Amex 4 a.m. volume, NASDAQ 4 a.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading: Buy, Sell, Volume.

S&P 100 Index Options

Table showing S&P 100 Index Options: Strike Price, Call, Put, Volume.

EUROPEAN FUTURES

Table showing EUROPEAN FUTURES: Food, Metals, Industrials.

Food

Table showing Food futures: White Sugar, Coffee, Cocoa.

Metals

Table showing Metals futures: Aluminum, Zinc, Lead.

Industrials

Table showing Industrials futures: Oil, Gas, Natural Gas.

Stock Indexes

Table showing Stock Indexes: FTSE 100, Nikkei, Hang Seng.

Spot Commodities

Table showing Spot Commodities: Wheat, Corn, Soybeans.

Dividends

Table showing Dividends: Company, Dividend, Yield.

Financial

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Long Gilt (LIFFE)

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3-Month Eurodollars (LIFFE)

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U.S. Orders Surge, Led by Aircraft

WASHINGTON (Reuters) — Orders received at U.S. factories for durable goods jumped at the fastest clip in six months during June...

Kodak's Earnings Rose in 2d Period

ROCHESTER, New York (AP) — Eastman Kodak Co. said Wednesday that its earnings had risen 2.7 percent in the second quarter...

Digital Posts Profit, Sees Problems

BOSTON (AP) — Digital Equipment Corp. on Wednesday reported its first profitable quarter since 1991, posting net income of \$113.1 million...

Busch's Beer-Market Share Edges Up

ST. LOUIS (Combined Dispatches) — Anheuser-Busch Co. said Wednesday its volume sales of beer to wholesalers in the second quarter...

Bethlehem Steel's Deficit Shrinks

BETHLEHEM, Pennsylvania (UPI) — Bethlehem Steel Corp., citing increased volume and cost-reduction efforts at two of its divisions...

For the Record

Tandem Computers Inc. reported a \$550 million quarterly loss and announced a restructuring that could involve up to 1,800 layoffs.

RATES: Bundesbank Gives a Sign

Sachs & Co. in Frankfurt. "But this would show it was giving priority to the ERM," he added, "above price stability."

Foreign Exchange

markets, to 6.95 percent from 7.15 percent last week. The drop was beyond the expectations of most analysts who had seen a fall to 7 percent at the limit.

EC Warns Belgium on Debt

BRUSSELS — The EC Commission estimated Wednesday that Belgium's gross public debt had climbed to 140 percent of its annual economic output...

World Stock Markets

Table showing World Stock Markets: Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Zurich.

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U.S./AT THE CLOSE

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Paris Frees Funds for Aid Plan

Compiled by Our Staff From Dispatches
PARIS — The government said Wednesday it would inject 70 billion francs (\$11.91 billion) of surplus "Balladur bond" revenue into the economy to boost jobs and corporate cash flow.

The sale this month of the bonds that Prime Minister Edouard Balladur announced in May to help fund France's battle against unemployment raised 110 billion francs, almost three times the government's initial target.

Private economists called the spending package announced Wednesday the next best thing to interest-rate cuts for an economy crying out for relief.

The unemployment rate in France is 11.5 percent and still rising, and thousands of companies are failing.

The budget minister, Nicolas Sarkozy, in giving details of the plan, said 35 billion francs would be used to improve the cash position of French companies by speeding reimbursement of their value-added-tax advances to the state.

In addition, 8 billion francs will be spent on modernizing school buildings. Mr. Sarkozy said this reflected government support for the construction trade and the importance of the safety of schoolchildren.

A further 7 billion francs is to be allocated for apprenticeships and training young people, the minister said, and 20 billion francs will be used to finance spending on employment and investment in 1994.

In another measure to combat the effects of the recession, Mr. Sarkozy said the government would spend 5 billion francs to increase the annual school allowance it pays to about 2.5 million low-income families.

(AFP, Reuters)

U.S. Link for Lufthansa? Tie-Up With United Considered Likely

Bloomberg Business News
WASHINGTON — Lufthansa may be the next European airline to announce an alliance with a U.S. carrier, many observers say.

"We think it's getting close," said Patrick Murphy, an assistant secretary for international policy at the U.S. Department of Transportation.

Alliances between U.S. airlines and European carriers have been cropping up all over. USAir and British Airways have one, as do Northwest Airlines and KLM Royal Dutch Airlines.

Now Continental has joined the trend. The Houston-based carrier said it would begin coordinating its flights with Air France, allowing passengers to travel more easily between Europe and inland points in the United States.

Analysts said the most likely partner for Lufthansa was United Airlines, which lacks a strong presence in Europe. "United might be the most logical choice," said Edmund Greenstet, aviation analyst and publisher of the Airline Monitor.

Lufthansa said talks had been held with several carriers, but no decision has been made yet. "We're definitely looking into joining with a U.S. partner," said Jim Freeman, a Lufthansa spokesman in New York. "United is definitely in the picture."

Analysts said United's major rival for Lufthansa's attentions was American Airlines.

"I think there'll be a fight between American and United," said Paul Karos, an analyst with First Boston.

Either way, Lufthansa may find itself paired with one of the largest U.S. carriers. This would represent a departure from the big alliances announced so far, which have involved the second tier in the U.S. airline industry.

The weaker airlines were the first to seek the alliances because they knew they could not compete on international routes with the Big Three — United, American and Delta Air Lines.

Instead of investing millions to build international routes, the smaller carriers decided it was far cheaper to feed passengers into their systems by arranging alliances with foreign airlines.

Now the Big Three are getting in on the act, hoping to win passengers from the markets that are closed to them under the U.S. bilateral aviation agreements with other nations.

Down the road, U.S. aviation officials expect that the spate of alliances and cross-border investments will help dissolve many of the restrictions on fares and capacity in these agreements.

"The commercial relationships will eventually break down the old bilateral system," said Mr. Murphy. "It's a growing trend."

If an alliance is announced, Lufthansa and its U.S. partner are likely to seek code-sharing rights from their home governments. Code sharing allows carriers to list linked flights under the same code. This tends to increase traffic on the route, because the linked flight is listed on travel agency computers as direct service.

U.K. Drug Firms Sign Deals With Warner-Lambert

By Richard W. Stevenson
New York Times Service

LONDON — Warner-Lambert Co. said Wednesday it would tie its nonprescription drug division to those of two large British companies, highlighting growth potential in the over-the-counter sector of the industry.

Warner-Lambert said it had reached separate agreements with Wellcome PLC and Glaxo PLC to market nonprescription drugs, including those medications that are switched from prescription status.

The arrangements will help Warner-Lambert compete with two large rivals in the over-the-counter industry in the United States, Johnson & Johnson and American Home Products Corp. They also will provide consumer-marketing expertise and distribution networks to Wellcome and Glaxo, which concentrate on sophisticated prescription drugs.

Drug companies have been paying attention to the nonprescription business in recent years. Their strategies reflect a belief that as governments look for ways to cut health costs, they will be quick to approve nonprescription drugs to reduce the need for doctors' visits and the costs of dispensing medication.

The deal between Warner-Lambert and Wellcome is the more comprehensive. The companies will set up a venture, Warner-Wellcome Consumer Health Products, to sell all their over-the-counter products.

In the case of Zovirax, a herpes medicine, the companies said Wellcome would keep most of the profits from over-the-counter sales, while other existing product earnings would be split roughly in half. In future transfers from prescription to over-the-counter status, the compa-

BT Profit Gain Misses Forecast

Compiled by Our Staff From Dispatches

LONDON — British Telecommunications PLC said Wednesday its first quarter profit was up 27 percent in its first quarter, reflecting increased international calls and line rentals, but the results were short of many analysts' expectations.

BT said it had earned £757 million (\$1.13 billion) in the quarter ended June 30, compared with £596 million a year earlier. Earnings per share climbed 41 percent, to 7.9 pence from 5.6 pence. But sales rose only 1.9 percent, to £3.34 billion.

Forecasts of its earnings had ranged as high as £780 million. (Bloomberg, AFP)

Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AMS	119.88	119.20	+0.54
Brussels	BRX	6,712.83	6,744.03	-0.47
Frankfurt	DAX	1,833.91	1,845.23	-0.61
London	FTSE 100	2,804.20	2,878.40	-0.17
Madrid	IBEX	263.70	261.32	+0.91
Milano	MIB	1,230.00	1,227.00	+0.24
Paris	CAC 40	1,889.53	1,908.11	-0.43
Stockholm	AIR	1,455.83	1,436.50	+1.35
Vladivostok	VSE	418.49	420.10	-0.38
Zurich	SES	825.00	822.00	+0.36

Very briefly:

- Jacques de Larosiere, president of the Bank of France, is said to be the frontrunner for the post of president of the European Bank for Reconstruction and Development. EC sources said the EC had decided to back him over the other candidates, who include the EC finance commissioner, Henning Christophersen; Giuliano Amato, the former Italian prime minister, and Leszek Balcerowicz, the former Polish finance minister.
- Belgacom, Belgium's state-owned telecommunications concern, said it had chosen Pacific Telesis International of the United States as its partner in developing a mobile phone network.
- Courtauld PLC said it planned to form a joint venture with Allied Colloids Group PLC, another British chemicals company, to build a plant that will produce a new superabsorbent fiber.
- News International PLC has sold part of its stake in Pearson PLC, the British news and entertainment company, leaving it with a 5.1 percent stake in the company.
- Elf Aquitaine will fulfill an agreement with the privatization agency Treubhandlung and sell 10 percent of its Minsol AG filling stations in former East Germany to small and medium-sized local companies.

U.S. Tobacco War Sings BAT

Compiled by Our Staff From Dispatches

LONDON — BAT Industries PLC said Wednesday its first-half profit was held back by the price war among U.S. cigarette makers but its insurance results improved.

Overall, BAT's first-half net income rose to £906 million (\$1.35 billion), from £672 million in the similar 1992 period. For the second quarter, pretax profit rose 32.9 percent, to £550 million from £414

million. But that included a £135 million payment from American Brands Inc. as part of a deal in which the companies exchanged cigarette brands.

Without the one-time gain, first-half profit was virtually unchanged at £415 million.

Profitability in tobacco is likely to come under more pressure. BAT's Brown & Williamson division will cut the price of Kool and

Capri cigarettes by about 40 cents a pack, to approximately \$1.50.

In the second quarter, BAT said its tobacco operating profit fell 7.9 percent, to £268 million.

"The current year is demonstrating the strategic value of having a strong position in financial services as well as in tobacco," said the BAT chairman, Sir Patrick Sheehy.

(Reuters, Bloomberg)

STEEL: Deadline Approaches for Major Decisions by Companies and EC Governments on Industry Cutbacks

Continued from Page 9

tons of capacity, or 16 percent of 1992 output, and lay off 12,000 workers.

For its part, private industry is refusing to show its hand until the last moment.

Mr. Mofat set his marker Wednesday, saying British Steel made the necessary cuts by shutting its integrated steel plant at Ravenscraig, Scotland, last year. "There can be no doubt that companies in mainland Europe need to emulate the actions British Steel have taken over the years," he said.

There is little enthusiasm for cuts on the Continent, however. The Dutch steelmaker Hoogovens has indicated that to remain a viable producer, it needs to hang onto the two plants it has. Germany's Klöckner

& Co., with only one plant left, must either maintain production there or get out of the business.

The German Steel Federation claims that its members will bear a proportionately lighter share of production cuts today because of deeper cuts in past years. Even so, the German industry is projecting a loss of 30,000 jobs by the end of next year.

In one key step to ease the pain of restructuring, the commission is expected to allow private steelmakers to pool the cost of cutbacks. The plan, which is due for approval in September, will allow more efficient producers to effectively buy market share from industry losers, and it calls for 1 billion Ecu of EC loans. The commission insists that the loans will be repaid in full

over eight years and won't become the grist of another subsidy battle.

The EC loans represent a small share of the estimated 4 billion Ecu it will cost the industry to shutter old plants. The bill for layoffs is expected to reach another 4 billion, with EC and national governments putting up just over 900 million Ecu, largely for worker-retraining programs.

The cost of cutting down hits industry when it can't afford it. Brendan Hoey, an analyst at Morgan Stanley International in London, forecast that Germany's Thyssen AG will post a loss of 595 million DM this year, after a profit of 318 million DM in 1992.

The brightest hope is British Steel, widely regarded

as Europe's most efficient producer. Mr. Hoey said the British economic recovery should enable British Steel to eke out a profit of £30 million to £40 million (\$44.7 million to \$67.1 million) in the year ending in March 1994, reversing a loss of £149 million in the last financial year. Ms. Haas of Deutsche Bank, however, predicts a further loss for British Steel this year and only a break-even year after that.

Steelmakers did manage to raise prices by 10 percent in April and 5 percent in July, and there is talk of another 10 percent increase around the end of the year. But if it does not address its basic problem of overcapacity, the industry will be at risk of a renewed price war as soon as it approaches the break-even point, Ms. Haas said.

EC Won't Vet Small Mergers

The Associated Press

BRUSSELS — Faced with stiff opposition from member states, the EC Commission decided Wednesday not to seek more powers to vet mergers between large companies.

Instead, the commission has proposed keeping the current threshold of 5 billion European Currency Units (\$5.6 billion) used to determine whether transactions or link-ups should be investigated as possible threats to competition.

The EC competition commissioner, Karel van Miert, told reporters that although most businesses favored more Community scrutiny, too many of the member governments were opposing giving the commission more authority.

If the threshold were lowered to 2 billion Ecu, as once proposed, it would nearly double the commission's yearly case load, to 110 cases from the current average of 60, according to Community estimates.

SUMMARY OF THE FINANCIAL YEAR 1992

GENERALI

THE INSURER WITHOUT FRONTIERS.

Group Business. The Generali Group has further strengthened its position as leader in insurance on an international scale. Among its operations in 1992, the most important related to the Spanish market where, following the agreements with Banco Hispano-Americano, Generali assumed management of the holding in which each has an equal share and which controls six insurance companies with premiums amounting to some 200 billion pesetas. Generali furthermore acquired control of the Federation Ins. Co. of Canada in Montreal, of Atlas of Lima, and of an English holding company. It increased its majority stakes in the BMA of Kansas City — now up to 100% — and in the Unione Mediterranea di Sicurtà of Genoa. It set up holding companies, into which it put insurance shareholdings, in Belgium

and Germany and it took over an Italian farming company. In the early months of 1993 Generali has taken control of Nacional in Ecuador, has participated in the establishment of a company in Rumania, Generala Asigurari, in which it has a majority stake, and has extended agreements with banking institutions for the distribution of insurance and financial products through banks' branches. Initiatives are also under way towards the twin objectives of, on the one hand, optimising the Group's structure in some of its traditional territories such as Belgium and Germany (following Holland where such an operation has already been completed) and, on the other hand, expanding the Group's presence in Latin America, East Europe and the Far East.

Parent Company Business. The Company gave priority to improving underwriting results, through an action to reform the portfolio and through adoption of an extremely prudent and selective policy in risk assumption, with particular attention to Italian businesses. The slight but intended slackening in premium growth rates brought about by this policy was fully compensated by the positive results achieved in improving the claims ratio which, as regards direct Italian non-life business, was reduced by six points. At the same time the account benefitted from the inclusive action to contain costs that had been under way for some time and in 1992 alone enabled the costs-pre-

miums relationship in Italian business to be brought down by one and a half points. Altogether, however, global underwriting results deteriorated because of exceptional losses suffered in business abroad and determined in indirect business, by a series of natural calamities. But brilliant results in financial activities as well as considerable profits realized on the alienation of securities, partly deriving from operations of an extraordinary nature, together with gains emerging from foreign currency conversions, enabled underwriting losses to be fully made good, so that the annual results closed with a profit slightly above that of the preceding year.

1992 CONSOLIDATED STATEMENT

ASSETS (000 ECU)*	1992	1991
Building and farm property	5,547,427	4,589,230
Fixed-interest securities	21,182,458	15,861,764
Shares and equity participations	5,022,561	3,940,848
Loans	2,147,552	1,685,861
Deposits with Ceding Companies	426,349	353,798
Bank deposits	2,111,959	1,438,800
Accounts receivable and other assets	4,672,591	3,193,988
Total	41,120,897	30,844,289

* All figures have been converted at the rate of exchange of € 1 = ECU 1.252.

This statement consolidates 82 insurance companies (including 5 Europ Assistance companies) operating in some 40 markets, 27 holding companies, 23 property companies and 3 farming companies.

LIABILITIES (000 ECU)*	1992	1991
Provisions for insurance liabilities	31,772,006	22,594,717
Reinsurance deposits	402,941	383,330
Other liabilities	2,722,827	2,178,720
Minority shareholders' interest	1,249,772	961,370
Shareholders' surplus	4,649,708	4,408,569
Profit for the year	323,843	317,583
Total	41,120,897	30,844,289

* All figures have been converted at the rate of exchange of € 1 = ECU 1.252.

valuations. These were reflected in the account (ECU 309.2m. against ECU 118.4m. in 1991) and were exceptionally high due also to the extremely prudent criteria that were applied. Particularly satisfactory was the operating result, which improved by ECU 78.4m. to reach nearly ECU 225m.

Consolidated premiums amounted to ECU 12,628.4m. against ECU 9,013.7m. in 1991. This 40.1% rise was influenced also by the inclusion of new companies in the consolidation and by the effect of exchange rate variations. Premiums in Life insurance amounted to ECU 5,161.1m., in Non-Life to ECU 7,467.3m.

Claims paid amounted to ECU 6,460.9m.

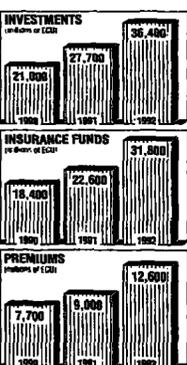
Provisions for insurance liabilities increased by ECU 4,473.8m.

Production and administrative costs amounted to ECU 3,088.7m. The ratio of costs to premiums declined from 28% in 1991 to 27.1%.

Investments rose to ECU 38,448.5m. (+31.8%), against which provisions for insurance liabilities amounted to ECU 31,772m.

Investment income totalled ECU 3,001.7m. (+41.2%).

Overall shareholders' equity amounted to ECU 5,842.8m., of which 79.6% pertains to the Parent Company.



1992 HIGHLIGHTS

(000 ECU)*	1992	1991
Premiums written	4,958,360	4,067,446
Premiums ceded	-582,055	-495,999
Net premiums	4,376,305	3,571,447
Net investment income	1,194,698	801,563
Technical interest allocated to Life funds	-708,514	-542,477
Insurance underwriting results	-321,844	-268,435
Sundry income and expenditure	-20,522	-29,727
Operating profit	143,818	60,924
Profit on sale of properties and securities	223,648	306,096
Exchange profit	140,207	-
Unrealized capital losses on securities	-196,553	-39,948
Extraordinary taxes	-97,409	-75,900
Total other items	159,893	190,248
Taxes on profits	-84,189	-36,851
Profit for the year	219,522	214,321

* All figures have been converted at the rate of exchange of € 1 = ECU 1.252.

The profit of ECU 219.5m. is slightly up on that of the previous year, despite writedowns on security valuations reflected in the account to the extent of ECU 196.5m. against ECU 39.9m. in 1991. The operational result registered a marked improvement, passing from ECU 60.0m. to ECU 143.7m.

Premiums amounted to ECU 4,068.4m. (+21.8%); ECU 1,022.5m. were in Life Insurance and ECU 3,045.9m. in Non-Life.

Claims paid totalled ECU 3,504.8m.

Provisions for insurance liabilities increased by ECU 1,785.5m.

Production and administrative costs totalled ECU 1,116.5m. The incl-

INVESTMENTS (000 ECU)	1991	1992
	9,200	12,500
INVESTMENT INCOME (000 ECU)	1,200	1,400
INSURANCE FUNDS (000 ECU)	6,400	9,900
PREMIUMS (000 ECU)	3,500	4,100

dependence on premiums of costs (25.5% overall) fell in direct Italian business from 25.5% in 1991 to 24%.

Investments rose to ECU 14,512.9m. against ECU 12,455m. in 1991 (+16.5%). Unrealized capital gains in the securities portfolio amounted to ECU 2,519.9m.

Investment income totalled ECU 1,194.7m. against ECU 801.5m. in 1991 (+49.2%).

Overall shareholders' equity amounted to ECU 5,842.8m. The surplus over the minimum solvency margin requirement is of ECU 1,380.2m. for the Life sector and of ECU 1,225.3m. for Non-Life.

The dividend, before tax, is 450 lire per share.

Shareholders in the Company will furthermore benefit from the possibility of participating in the capital increase by its subsidiary Alleanza Assicurazioni, earmarked for servicing bonds issued by Mediobanca and convertible into Alleanza ordinary shares. The bonds will be coupled with a warrant issued by Generali, which will give the right to purchase one Alleanza savings share, from those held by Generali, for every group of three. The bonds/warrants packages will be offered not only to Alleanza shareholders but also to Generali shareholders on the basis of one for every twenty five shares and/or warrants 1991-2001.

The house capitalization on 26 June 1993 — date of the annual meeting — was 27,480.3 billion lire.

Chairman-Managing Director: Eugenio Coppola di Canzano; Vice-Chairmen: Antoine Berthelm, Francesco Cingano, Carlo della Torre; Tasso Managing Director: Gianfranco Gully.



THE INSURER WITHOUT FRONTIERS

سكرا من الاصل

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE Ratio

12 Month High	Low	Stock	Div	Yld	PE Ratio
100.00	95.00	IBM	1.50	1.50	15.00
120.00	115.00	Microsoft	0.00	0.00	15.00
150.00	145.00	Apple	0.00	0.00	15.00
200.00	195.00	Oracle	0.00	0.00	15.00
250.00	245.00	Sun	0.00	0.00	15.00
300.00	295.00	Lucent	0.00	0.00	15.00
350.00	345.00	Motorola	0.00	0.00	15.00
400.00	395.00	Rockwell	0.00	0.00	15.00
450.00	445.00	Boeing	0.00	0.00	15.00
500.00	495.00	Lockheed	0.00	0.00	15.00
550.00	545.00	Northrop	0.00	0.00	15.00
600.00	595.00	Raytheon	0.00	0.00	15.00
650.00	645.00	General Dynamics	0.00	0.00	15.00
700.00	695.00	Boeing	0.00	0.00	15.00
750.00	745.00	Lockheed	0.00	0.00	15.00
800.00	795.00	Northrop	0.00	0.00	15.00
850.00	845.00	Raytheon	0.00	0.00	15.00
900.00	895.00	General Dynamics	0.00	0.00	15.00
950.00	945.00	Boeing	0.00	0.00	15.00
1000.00	995.00	Lockheed	0.00	0.00	15.00
1050.00	1045.00	Northrop	0.00	0.00	15.00
1100.00	1095.00	Raytheon	0.00	0.00	15.00
1150.00	1145.00	General Dynamics	0.00	0.00	15.00
1200.00	1195.00	Boeing	0.00	0.00	15.00
1250.00	1245.00	Lockheed	0.00	0.00	15.00
1300.00	1295.00	Northrop	0.00	0.00	15.00
1350.00	1345.00	Raytheon	0.00	0.00	15.00
1400.00	1395.00	General Dynamics	0.00	0.00	15.00
1450.00	1445.00	Boeing	0.00	0.00	15.00
1500.00	1495.00	Lockheed	0.00	0.00	15.00
1550.00	1545.00	Northrop	0.00	0.00	15.00
1600.00	1595.00	Raytheon	0.00	0.00	15.00
1650.00	1645.00	General Dynamics	0.00	0.00	15.00
1700.00	1695.00	Boeing	0.00	0.00	15.00
1750.00	1745.00	Lockheed	0.00	0.00	15.00
1800.00	1795.00	Northrop	0.00	0.00	15.00
1850.00	1845.00	Raytheon	0.00	0.00	15.00
1900.00	1895.00	General Dynamics	0.00	0.00	15.00
1950.00	1945.00	Boeing	0.00	0.00	15.00
2000.00	1995.00	Lockheed	0.00	0.00	15.00
2050.00	2045.00	Northrop	0.00	0.00	15.00
2100.00	2095.00	Raytheon	0.00	0.00	15.00
2150.00	2145.00	General Dynamics	0.00	0.00	15.00
2200.00	2195.00	Boeing	0.00	0.00	15.00
2250.00	2245.00	Lockheed	0.00	0.00	15.00
2300.00	2295.00	Northrop	0.00	0.00	15.00
2350.00	2345.00	Raytheon	0.00	0.00	15.00
2400.00	2395.00	General Dynamics	0.00	0.00	15.00
2450.00	2445.00	Boeing	0.00	0.00	15.00
2500.00	2495.00	Lockheed	0.00	0.00	15.00
2550.00	2545.00	Northrop	0.00	0.00	15.00
2600.00	2595.00	Raytheon	0.00	0.00	15.00
2650.00	2645.00	General Dynamics	0.00	0.00	15.00
2700.00	2695.00	Boeing	0.00	0.00	15.00
2750.00	2745.00	Lockheed	0.00	0.00	15.00
2800.00	2795.00	Northrop	0.00	0.00	15.00
2850.00	2845.00	Raytheon	0.00	0.00	15.00
2900.00	2895.00	General Dynamics	0.00	0.00	15.00
2950.00	2945.00	Boeing	0.00	0.00	15.00
3000.00	2995.00	Lockheed	0.00	0.00	15.00
3050.00	3045.00	Northrop	0.00	0.00	15.00
3100.00	3095.00	Raytheon	0.00	0.00	15.00
3150.00	3145.00	General Dynamics	0.00	0.00	15.00
3200.00	3195.00	Boeing	0.00	0.00	15.00
3250.00	3245.00	Lockheed	0.00	0.00	15.00
3300.00	3295.00	Northrop	0.00	0.00	15.00
3350.00	3345.00	Raytheon	0.00	0.00	15.00
3400.00	3395.00	General Dynamics	0.00	0.00	15.00
3450.00	3445.00	Boeing	0.00	0.00	15.00
3500.00	3495.00	Lockheed	0.00	0.00	15.00
3550.00	3545.00	Northrop	0.00	0.00	15.00
3600.00	3595.00	Raytheon	0.00	0.00	15.00
3650.00	3645.00	General Dynamics	0.00	0.00	15.00
3700.00	3695.00	Boeing	0.00	0.00	15.00
3750.00	3745.00	Lockheed	0.00	0.00	15.00
3800.00	3795.00	Northrop	0.00	0.00	15.00
3850.00	3845.00	Raytheon	0.00	0.00	15.00
3900.00	3895.00	General Dynamics	0.00	0.00	15.00
3950.00	3945.00	Boeing	0.00	0.00	15.00
4000.00	3995.00	Lockheed	0.00	0.00	15.00
4050.00	4045.00	Northrop	0.00	0.00	15.00
4100.00	4095.00	Raytheon	0.00	0.00	15.00
4150.00	4145.00	General Dynamics	0.00	0.00	15.00
4200.00	4195.00	Boeing	0.00	0.00	15.00
4250.00	4245.00	Lockheed	0.00	0.00	15.00
4300.00	4295.00	Northrop	0.00	0.00	15.00
4350.00	4345.00	Raytheon	0.00	0.00	15.00
4400.00	4395.00	General Dynamics	0.00	0.00	15.00
4450.00	4445.00	Boeing	0.00	0.00	15.00
4500.00	4495.00	Lockheed	0.00	0.00	15.00
4550.00	4545.00	Northrop	0.00	0.00	15.00
4600.00	4595.00	Raytheon	0.00	0.00	15.00
4650.00	4645.00	General Dynamics	0.00	0.00	15.00
4700.00	4695.00	Boeing	0.00	0.00	15.00
4750.00	4745.00	Lockheed	0.00	0.00	15.00
4800.00	4795.00	Northrop	0.00	0.00	15.00
4850.00	4845.00	Raytheon	0.00	0.00	15.00
4900.00	4895.00	General Dynamics	0.00	0.00	15.00
4950.00	4945.00	Boeing	0.00	0.00	15.00
5000.00	4995.00	Lockheed	0.00	0.00	15.00
5050.00	5045.00	Northrop	0.00	0.00	15.00
5100.00	5095.00	Raytheon	0.00	0.00	15.00
5150.00	5145.00	General Dynamics	0.00	0.00	15.00
5200.00	5195.00	Boeing	0.00	0.00	15.00
5250.00	5245.00	Lockheed	0.00	0.00	15.00
5300.00	5295.00	Northrop	0.00	0.00	15.00
5350.00	5345.00	Raytheon	0.00	0.00	15.00
5400.00	5395.00	General Dynamics	0.00	0.00	15.00
5450.00	5445.00	Boeing	0.00	0.00	15.00
5500.00	5495.00	Lockheed	0.00	0.00	15.00
5550.00	5545.00	Northrop	0.00	0.00	15.00
5600.00	5595.00	Raytheon	0.00	0.00	15.00
5650.00	5645.00	General Dynamics	0.00	0.00	15.00
5700.00	5695.00	Boeing	0.00	0.00	15.00
5750.00	5745.00	Lockheed	0.00	0.00	15.00
5800.00	5795.00	Northrop	0.00	0.00	15.00
5850.00	5845.00	Raytheon	0.00	0.00	15.00
5900.00	5895.00	General Dynamics	0.00	0.00	15.00
5950.00	5945.00	Boeing	0.00	0.00	15.00
6000.00	5995.00	Lockheed	0.00	0.00	15.00
6050.00	6045.00	Northrop	0.00	0.00	15.00
6100.00	6095.00	Raytheon	0.00	0.00	15.00
6150.00	6145.00	General Dynamics	0.00	0.00	15.00
6200.00	6195.00	Boeing	0.00	0.00	15.00
6250.00	6245.00	Lockheed	0.00	0.00	15.00
6300.00	6295.00	Northrop	0.00	0.00	15.00
6350.00	6345.00	Raytheon	0.00	0.00	15.00
6400.00	6395.00	General Dynamics	0.00	0.00	15.00
6450.00	6445.00	Boeing	0.00	0.00	15.00
6500.00	6495.00	Lockheed	0.00	0.00	15.00
6550.00	6545.00	Northrop	0.00	0.00	15.00
6600.00	6595.00	Raytheon	0.00	0.00	15.00
6650.00	6645.00	General Dynamics	0.00	0.00	15.00
6700.00	6695.00	Boeing	0.00	0.00	15.00
6750.00	6745.00	Lockheed	0.00	0.00	15.00
6800.00	6795.00	Northrop	0.00	0.00	15.00
6850.00	6845.00	Raytheon	0.00	0.00	15.00
6900.00	6895.00	General Dynamics	0.00	0.00	15.00
6950.00	6945.00	Boeing	0.00	0.00	15.00
7000.00	6995.00	Lockheed	0.00	0.00	15.00
7050.00	7045.00	Northrop	0.00	0.00	15.00
7100.00	7095.00	Raytheon	0.00	0.00	15.00
7150.00	7145.00	General Dynamics	0.00	0.00	15.00
7200.00	7195.00	Boeing	0.00	0.00	15.00
7250.00	7245.00	Lockheed	0.00	0.00	15.00
7300.00	7295.00	Northrop	0.00	0.00	15.00
7350.00	7345.00	Raytheon	0.00	0.00	15.00
7400.00	7395.00	General Dynamics	0.00	0.00	15.00
7450.00	7445.00	Boeing	0.00	0.00	15.00
7500.00	7495.00	Lockheed	0.00	0.00	15.00
7550.00	7545.00	Northrop	0.00	0.00	15.00
7600.00	7595.00	Raytheon	0.00	0.00	15.00
7650.00	7645.00	General Dynamics	0.00	0.00	15.00
7700.00	7695.00	Boeing	0.00	0.00	15.00
7750.00	7745.00	Lockheed	0.00	0.00	15.00
7800.00	7795.00	Northrop	0.00	0.00	15.00
7850.00	7845.00	Raytheon	0.00	0.00	15.00
7900.00	7895.00	General Dynamics	0.00	0.00	15.00
7950.00	7945.00	Boeing	0.00	0.00	15.00
8000.00	7995.00	Lockheed	0.00	0.00	15.00
8050.00	8045.00	Northrop	0.00	0.00	15.00
8100.00	8095.00	Raytheon	0.00	0.00	15.00
8150.00	8145.00	General Dynamics	0.00	0.00	15.00
8200.00	8195.00	Boeing	0.00	0.00	15.00
8250.00	8245.00	Lockheed	0.00	0.00	15.00
8300.00	8295.00	Northrop	0.00	0.00	15.00
8350.00	8345.00	Raytheon	0.00	0.00	15.00
8400.00	8395.00	General Dynamics	0.00	0.00	15.00
8450.00	8445.00	Boeing	0.00	0.00	15.00
8500.00	8495.00	Lockheed	0.00	0.00	15.00
8550.00	8545.00	Northrop	0.00	0.00	15.00
8600.00	8595.00	Raytheon	0.00	0.00	15.00
8650.00	8645.00	General Dynamics	0.00	0.00	15.00
8700.00	8695.00	Boeing	0.00	0.00	15.00
8750.00	8745.00	Lockheed	0.00	0.00	15.00
8800.00	8795.00	Northrop	0.00	0.00	15.00
8850.00	8845.00	Raytheon	0.00	0.00	15.00
8900.00	8895.00	General Dynamics	0.00	0.00	15.00
8950.00	8945.00	Boeing	0.00	0.00	15.00
9000.00	8995.00	Lockheed	0.00	0.00	15.00
9050.00	9045.00	Northrop	0.00	0.00	15.00
9100.00	9095.00	Raytheon	0.00	0.00	15.00
9150.00	9145.00	General Dynamics	0.00	0.00	15.00
9200.00	9195.00	Boeing	0.00	0.00	15.00
9250.00	9245.00	Lockheed	0.00	0.00	15.00
9300.00	9295.00	Northrop	0.00	0.00	15.00
9350.00	9345.00	Raytheon	0.00	0.00	15.00
9400.00	9395.00	General Dynamics	0.00	0.00	15.00
9450.00	9445.00				

China's Giant Economy Feels More Growing Pains

Beijing Warns of Rising Unemployment Authorities Crack Down on Capital Flight

Compiled by Our Staff From Dispatches

BEIJING—China's unemployment rate will rise as efforts to cool the economy and implement market reforms take a toll on employers, a Labor Ministry official said Wednesday.

The number of urban unemployed at the end of June was 3.6 million, an increase of 9.1 percent from the same time last year, said the director of the ministry's employment department, Zhang Xiaojin, and the number of urban jobs was down by 1.1 million to 146.8 million.

But the official jobless rate remained low, at 2.3 percent, Mr. Zhang said. The figure does not include rural areas, where there are more than 100 million surplus laborers.

The official said unemployment would increase because of a new policy to rein in credit and push market reforms aimed at ending subsidies to state-owned enterprises.

"We expect the number of enterprises being shut and stopping production to be relatively large," Mr. Zhang said, adding that the situation was already "quite serious" in some sectors.

The flood of rural workers into cities was also a growing problem, he said, and measures were being drawn up to deal with it.

Mr. Zhang expressed confidence that the government could handle the expected rise in unemployment, but he said it could not "treat the problem lightly."

China's last wave of high unemployment was triggered by a three-year austerity program launched in late 1988. At its height, between 6 million and 7 million workers were idled.

The China Daily added in an article Wednesday that a crackdown ordered this month on speculative real-estate deals and loose credit would hit China's booming construction and manufacturing industries, throwing many laborers out of work.

Separately, China's Ministry of Metallurgical Industry, which oversees gold production, has told its producers to raise their output and sell their assigned quotas to the state, the China Daily said.

Under Chinese law, gold producers must sell the government a portion of what they produce at a fixed price, which is much lower than market rates. Some companies are choosing instead to sell more of their production at market rates rather than to the government, the paper said.

The state hopes to curb that practice by buying gold at \$4.56 yuan (\$9.55) a gram instead of the old price of 48 yuan. The world gold price is about \$12.60 a gram, the paper said. (APF, Reuters, Bloomberg)

Bloomberg Business News

BEIJING—China has launched a tough auditing and customs blitz on illicit capital flight, the official People's Daily reported Wednesday, as the yuan came under further pressure on Chinese currency markets.

Overseas investment projects will be subject to strict asset evaluation, an approval process and customs checks, under new regulations issued by the National Administration of State Property, the Foreign Trade Ministry and Chinese customs, the paper said.

The value of the yuan in the swap markets used by businesses to fill their foreign-exchange needs slipped Wednesday to 8.889 to the dollar in Beijing, from 8.8703 on Monday. Center officials declined to say whether the central bank had intervened.

Last month, China denied rumors it had ordered its overseas enterprises to repatriate funds to prop up the yuan, which has slipped 3.5 percent in the past two weeks on the national foreign exchange swap market in Beijing despite central bank support.

China does not publish figures for capital flight, but Chinese investment in Hong Kong is so heavy that Hong Kong's stock market suffered a major fall June 17, when the rumor about repatriation of funds came out. Many analysts suggest capital flight is the major reason for the yuan's current slippage in value.

Vice Premier Zhu Rongji's tough measures to control investment and cool the overheated economy prompted a 25 percent gain in the yuan's value early this month, almost wiping out the losses from June.

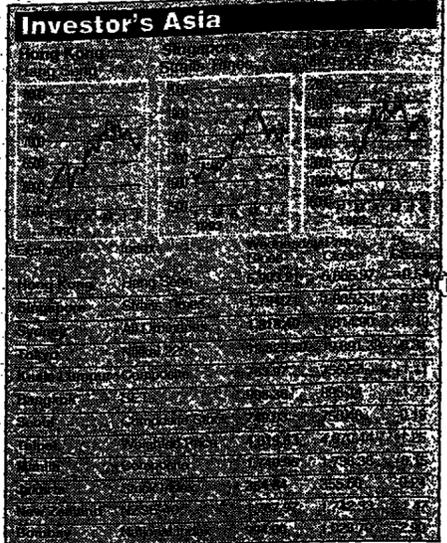
Wednesday's measures also more strictly regulate Chinese companies that have bought up small listed

Overseas investments, particularly in property, have been an attractive hedge against the yuan's devaluation.

Hong Kong companies injected assets into them and then launched major share issues.

Overseas investments, particularly in property, have been an attractive hedge against the yuan's devaluation and inflation. They also provide a haven for funds from corrupt deals and a nest egg in the event of political unrest, analysts say.

There are three exchange rates in China: the official rate, which was 5.7468 to the dollar Wednesday, the swap-market rate and the black-market rate.



Sources: Reuters, AFP International Herald Tribune

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Stock Traders Watch Deng Health Question Vexes Hong Kong Market

Bloomberg Business News

HONG KONG—With speculation swirling around the Hong Kong stock market on the deteriorating health of China's senior leader, Deng Xiaoping, the ghoulish business of assessing the likely market impact of his passing has begun once more.

Mr. Deng's "imminent" death has been the stuff of market-moving rumors for the better part of a decade. But analysts are once again spinning post-Deng-era market scenarios. And a case is being made that the loss of the supreme leader, rather than spooking the market, could be bullish for stocks if China's political transition goes smoothly.

"Deng Xiaoping's death is going to be the last big buying opportunity in Hong Kong before 1997," when Hong Kong reverts to Chinese rule, said David Whittall, investment analyst at Baring Securities in Hong Kong.

"If the army moves in, investors will be sidelined. But if Jiang Zemin and the current leaders seem secure, people are going to buy," he said. Mr. Jiang is China's president and general secretary of the Communist Party.

Indeed, investors are more likely to react to Beijing's efforts to control the torrid growth of the Chinese economy. While the 88-year-old Mr. Deng's reputation is legendary, his actual political clout these days is uncertain.

Should Mr. Deng's passing come in the next couple of weeks, it will not catch many investors off guard. The leader's death has been so thoroughly anticipated that while it may drag down stocks in the short-term, it will not have much long-range impact.

"If it happened tomorrow, we'd be down about 600 points and maybe stay around 6,000 for two weeks after that," said Barry Yates, director at Vickers Ballas brokerage. "But it wouldn't be a disaster, it would be a buying opportunity. People would buy at those levels." He was referring to the Hang Seng Index, which on Wednesday closed at 6,903.21, up 37.24 points.

One reason is that China's economy is growing at 14 percent this year, faster than any country in the world. Though the danger is real that it might overheat in the coming months, China is likely to be a hot investment play for some time to come.

Should political developments in China take a sudden and nasty turn, investors in Hong Kong would certainly feel some pain. The Tiananmen Square crackdown in June of 1989, when troops came into Beijing and violently cleared protesters from the streets, sent the territory's bourse into a tailspin. The day after the crackdown, the Hang Seng plunged 22 percent.

Although brokers now hesitate to guess how much the Hang Seng would drop on news of Mr. Deng's death, they all agree that the consequences will be short-lived.

Much of the market reaction would turn on how the inevitable power struggles play out among the rival factions in Beijing.

"How the Hong Kong markets take the blow depends on how fast Beijing can react," said Richard Wong, investment manager at Wardley Investment Services. "We're likely to see some sort of collective ruling body and if they seem in control, investors will relax."

Doubts Over Japan Rail Privatization

Reuters

TOKYO—Brokers are getting ready to sell the largest number of shares in a Japanese privatization, but some analysts warned that investors are likely to be cool to the East Japan Railway Co. offering.

The offering of 2 million shares, or half the equity, of East Japan Railway, for an estimated 600 billion yen (\$5.63 billion), is the first part of the privatization of Japan National Railway. The system was split into seven railways in 1987, but a slumping stock market delayed the sale of shares in them to the public.

Some analysts warned that the 1.95 million-share sale of stock in Nippon Telegraph & Telephone Corp. in 1987 was still fresh in investors' minds.

"Investors certainly learned their lesson with NTT," said Shigeru Akiba, head of equity trading at UBS Securities. NTT shares were offered at 120 million yen and jumped to a high of 3.18 million yen in April that year.

But many were buried when the stock slid to a low of 453,000 yen last summer, before the government announced steps to prop up the market. The shares closed at 887,000 yen on Wednesday.

Very briefly:

- Exxon Corp. and Mobil Corp. are holding talks with Tuntex Group, a major Taiwan company, to construct a 1.49-billion dollar (\$5.54 billion) petrochemical complex in Taiwan, a Tuntex spokesman said.
- Fujitsu Ltd. plans to invest about 200 million yen (\$1.9 million to \$2.8 million) to set up a software firm in either Chandigarh, in the Punjab in northern India, or in New Delhi by next year.
- The Asian Development Bank plans to resume normal lending to Vietnam this year even if the U.S. trade embargo on Hanoi continues, a senior ADB official said. Separately, the Vietnam car manufacturer Mekong Corp. will open its second plant in Hanoi in August.
- Nintendo Co., Japan's largest maker of home video games, plans to set up its first overseas production plant in China next spring.
- Hong Kong's trade deficit widened to 27.76 billion Hong Kong dollars (\$3.58 billion) for the first six months of the year, an increase of 4.8 percent from the first half of 1992.
- Bangkok Bank Ltd., Thailand's largest commercial bank, reported an unaudited net profit of 3.27 billion baht (\$129.2 million) for the quarter ended June 30, an increase of 34 percent from a year earlier but a decline of 1.9 percent from the preceding quarter. (Bloomberg, AFP, Reuters, AFP, AP)

Taiwan's Travel Bill Soars

Reuters

TAIPEI—Surging overseas travel spending may exceed Taiwan's trade surplus this year for the first time in more than a decade, officials said Wednesday.

The overseas travel boom is emerging as a major factor in supporting the island's balance of payments, which slumped to its first deficit for 12 years in 1992, and is pushing down the value of the Taiwan dollar, the officials said.

Overseas travel by Taiwanese has soared in recent years with growing affluence and the removal of restrictions on travel to China.

A senior central bank official estimated that overseas travel spending rose to about \$4 billion in the first half of 1993, up 14 percent from a year ago. But Taiwan's trade surplus, hit by the weak global economy, plunged 37 percent in the same period, to \$3.3 billion.

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ICI: Earnings at 2 Companies to Show Results of Chemicals Restructuring

(Continued from page 9)

There, the impact of cost cuts and a stronger dollar will be boosted by increased sales on some of Zeneca's newer drugs.

For Sir Denis Henderson, the chairman of both ICI and the new company Zeneca, the logic of the split was inescapable. He said that ICI had all but exhausted the standard recession-beating options in the 1990s, a decade he described as "very different" and far less upbeat than the company had anticipated.

ICI had already gone down, as Sir Denis said in a recent interview, "the classic tighten your belt, hack back costs savagely, hold back capital spending, invest nonstrategic businesses route." Demerger, allowing two increasingly divergent

lines of enterprises to find their own way, was the next logical step.

Both companies face cloudy futures, however. While analysts expect Zeneca's earnings to rise at a rate of more than 10 percent a year through the middle of the decade, reforms in the health-care industry on both sides of the Atlantic have raised fears of tougher times ahead.

For ICI, the prospects are excellent once the recovery in the European chemical industry arrives, but the question is when. Its arrival date has been pushed back repeatedly in recent months, most recently by Germany's BASF AG, which on Tuesday put the recovery off until 1995 at the earliest.

But even though the eventual pickup in business is widely touted

as doubling ICI's profits over the next five years, that will be below peaks set in 1983.

Even worse for a region increasingly concerned with joblessness, Sir Denis predicted: "I expect you will never see a great pickup in employment with ICI or with Zeneca."

That prediction looks even bleaker when viewed against ICI's cuts of 23,000 jobs in the course of the recession.

As anemic as ICI's first-half results may look, they are expected to be considerably better than those posted by many of the company's Continental competitors. Alastair Kilgour, an analyst with BNP Securities in London, anticipated that first-half profit for some of Europe's biggest chemical makers

would be down anywhere from 25 to 100 percent.

In addition to the recession in much of Europe, he cited a loss of crucial export markets. New plants coming on stream in Asia now supply markets which were long dependable outlets for Europe's excess production.

"The main topic of conversation in the European chemical industry is the competitiveness of Europe opposite that of the United States and the Asia-Pacific region," said Sir Denis.

As he sees it, the industry is increasingly disadvantaged by environmental costs not imposed on Far Eastern producers and by the necessity of huge social costs which neither Asian nor U.S. companies must carry.

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
110.00	108.00	IBM	4.00	3.8	15.0	100	110.00	108.00	IBM	4.00	3.8	15.0	100
100.00	98.00	Microsoft	0.00	0.0	15.0	100	100.00	98.00	Microsoft	0.00	0.0	15.0	100
80.00	78.00	Intel	0.00	0.0	15.0	100	80.00	78.00	Intel	0.00	0.0	15.0	100
60.00	58.00	Oracle	0.00	0.0	15.0	100	60.00	58.00	Oracle	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
50.00	48.00	Cisco	0.00	0.0	15.0	100	50.00	48.00	Cisco	0.00	0.0	15.0	100
40.00	38.00	Sun	0.00	0.0	15.0	100	40.00	38.00	Sun	0.00	0.0	15.0	100
30.00	28.00	VeriFone	0.00	0.0	15.0	100	30.00	28.00	VeriFone	0.00	0.0	15.0	100
20.00	18.00	WorldCom	0.00	0.0	15.0	100	20.00	18.00	WorldCom	0.00	0.0	15.0	100

AMEX

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
100.00	98.00	IBM	4.00	3.8	15.0	100	100.00	98.00	IBM	4.00	3.8	15.0	100
80.00	78.00	Microsoft	0.00	0.0	15.0	100	80.00	78.00	Microsoft	0.00	0.0	15.0	100
60.00	58.00	Intel	0.00	0.0	15.0	100	60.00	58.00	Intel	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
50.00	48.00	Cisco	0.00	0.0	15.0	100	50.00	48.00	Cisco	0.00	0.0	15.0	100
40.00	38.00	Sun	0.00	0.0	15.0	100	40.00	38.00	Sun	0.00	0.0	15.0	100
30.00	28.00	VeriFone	0.00	0.0	15.0	100	30.00	28.00	VeriFone	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
20.00	18.00	WorldCom	0.00	0.0	15.0	100	20.00	18.00	WorldCom	0.00	0.0	15.0	100
10.00	8.00	WorldView	0.00	0.0	15.0	100	10.00	8.00	WorldView	0.00	0.0	15.0	100
5.00	4.00	WorldWideWeb	0.00	0.0	15.0	100	5.00	4.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
1.00	0.80	WorldWideWeb	0.00	0.0	15.0	100	1.00	0.80	WorldWideWeb	0.00	0.0	15.0	100
0.50	0.40	WorldWideWeb	0.00	0.0	15.0	100	0.50	0.40	WorldWideWeb	0.00	0.0	15.0	100
0.20	0.15	WorldWideWeb	0.00	0.0	15.0	100	0.20	0.15	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.10	0.08	WorldWideWeb	0.00	0.0	15.0	100	0.10	0.08	WorldWideWeb	0.00	0.0	15.0	100
0.05	0.04	WorldWideWeb	0.00	0.0	15.0	100	0.05	0.04	WorldWideWeb	0.00	0.0	15.0	100
0.02	0.01	WorldWideWeb	0.00	0.0	15.0	100	0.02	0.01	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.01	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.01	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
10.00	8.00	WorldView	0.00	0.0	15.0	100	10.00	8.00	WorldView	0.00	0.0	15.0	100
5.00	4.00	WorldWideWeb	0.00	0.0	15.0	100	5.00	4.00	WorldWideWeb	0.00	0.0	15.0	100
2.00	1.50	WorldWideWeb	0.00	0.0	15.0	100	2.00	1.50	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
1.00	0.80	WorldWideWeb	0.00	0.0	15.0	100	1.00	0.80	WorldWideWeb	0.00	0.0	15.0	100
0.50	0.40	WorldWideWeb	0.00	0.0	15.0	100	0.50	0.40	WorldWideWeb	0.00	0.0	15.0	100
0.20	0.15	WorldWideWeb	0.00	0.0	15.0	100	0.20	0.15	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.10	0.08	WorldWideWeb	0.00	0.0	15.0	100	0.10	0.08	WorldWideWeb	0.00	0.0	15.0	100
0.05	0.04	WorldWideWeb	0.00	0.0	15.0	100	0.05	0.04	WorldWideWeb	0.00	0.0	15.0	100
0.02	0.01	WorldWideWeb	0.00	0.0	15.0	100	0.02	0.01	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.01	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.01	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100
0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100	0.00	0.00	WorldWideWeb	0.00	0.0	15.0	100

High	Low	Stock	Div	Yld	PE	100s	High	Low	
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SPORTS BASEBALL

Orioles Are True to Form In 6-5 Loss to Blue Jays

By Mark Maske
Washington Post Service
TORONTO — The year doesn't seem to matter. The circumstances don't seem to matter. The score, really, doesn't seem to matter. Somehow, the Baltimore Orioles will find a way to lose in the Sky-Dome.

This time, the Toronto Blue Jays rallied with three runs in the bottom of the eighth inning for a 6-5 triumph over the Orioles on Tuesday night that dropped them 2½ games behind the leaders of the American League East.

The Orioles appeared to be on their way to what felt like an important victory when Cal Ripken hit a three-run home run over the

left field wall against closer Duane Ward with two outs in the top of the eighth. That gave the Orioles a 5-3 lead.

No matter. They lost to the Blue Jays in Toronto's final at-bat for

AL ROUNDUP

the 12th time since the final series of the 1989 season, with nine of those excruciating defeats coming here.

"I think 1989 really got this rivalry going," said the Blue Jays' manager, Cito Gaston. "For the last few years we've seemed to have their number in the late innings. But I can remember when it was the other way around."

The Orioles' starter, Rick Sutcliffe, got Roberto Alomar to ground out to open the bottom of the eighth. But Paul Molitor beat out an infield hit, Joe Carter singled off Mark Williamson, and John Olerud's opposite single off Jim Poole — capping a two-for-three evening that left his batting average at .403 — loaded the bases.

Closer Greg Olson came on to strike out Tony Fernandez, but Ed Sprague pulled a line-drive double into the left field corner to make it 5-3. Then Ripken made a diving stop of Pat Borders' bounce up the middle, but the shortstop's throw from his knees was too late to get Borders as he dove head first into the bag at first and Olerud scored the decisive run.

"That was ugly," said Borders, whose lip was cut when his helmet flew off and hit him in the mouth. "If you watch the replays, you know I don't practice that slide very much."

Ward walked Harold Reynolds and Tim Lincecum to give the Orioles runners at first and third with one out in the ninth, but Brady Anderson popped out and Mark McLemore struck out.

In other games, The Associated Press reported:

Yankees 5, Tigers 2: Danny Tartabull's homer in New York's four-run second gave Jim Abbott all the support he needed to win in Detroit for the first time in four years.

Brewers 3, Red Sox 2: Jaime Navarro gave up only five hits for eight-plus innings for his first victory since June 16 and Robin Yount hit his 250th homer in the majors as Milwaukee beat the visiting Boston Sox for a second straight game.



Shortstop Pat Listach and Billy Hatcher had a laugh as Hatcher was tagged out, but the Red Sox weren't smiling after a 3-2 defeat.

Mariners 10, Twins 8: Ken Griffey Jr. extended his home run streak to seven games — one shy of the major-league record set by Dale Long and tied by Don Marlin — with a long grand slam and Seattle held on after visiting Minnesota rallied from 7-0 and 8-3 deficits.

White Sox 7, Indians 4: Frank Thomas went 4-for-4 with two homers and five RBIs and Jack McDowell became the majors' first 16-game winner as Chicago, playing at home, won its 13th in the last 18.

Angels 15, Athletics 8: Tim Lincecum homered twice and drove in four runs and Chad Curtis had four hits and four RBIs as California beat visiting Oakland to end its losing streak at 10 games.

The Angels also got a three-run homer and three runs from Eduardo Perez, the son of Tony Perez, who was making his major league debut.

Just One Hit (a Long One) Sabotages Royals' Pitcher

KANSAS CITY — It was a game that Kevin Appier will always remember, but try to forget. Rafael Palmeiro's 21st home run of the season, in the seventh inning, ended Appier's no-hit bid Tuesday night and gave the Texas Rangers a 4-0 victory over the Kansas City Royals.

Appier, who had won six straight, was perfect until he walked Dan Peltier on a 3-1 count with one out in the sixth. Peltier, however, was thrown out stealing on the next pitch.

Appier fanned two Rangers in each of the first three innings and finished with a career-high 11 strikeouts, at least one in every inning.

Until the homer, the only thing close to a hit for Texas was Dean Palmer's line drive to third baseman Phil Hiltz with one out in the second.

If It's a Scrimmage on TV, It Must Be Washington in July

By Tony Kornheiser
Washington Post Service
WASHINGTON — I'm wondering what it's like in other cities when the local National Football League team scrimmages. Take New York, for example. Do you think traffic stops on the Upper East Side so folks can keep abreast of whether Brad Baxter made the right read on his cut-back block in the seven-on-seven drill? Do you think there's a backup on the Major Deegan Expressway because people are waiting to find out whether Myron Guyton can still cover the fade route on the eighth play in a 10-play series?

Do you think there is full TV coverage in New York of a Jets or Giants scrimmage? Do you think anyone in New York even knows when the Jets or Giants scrimmage?

But here, Channel 7 would preempt the Gulf War to put on a Redskins scrimmage — and if Channel 7 didn't, Channel 5 gleefully would — with three men in the booth, another on the sideline and 800 players and coaches miked; I'm shocked, shocked.

Newscasters 8, where I always turn to keep up with any late-breaking school board news in Chantilly, Virginia, has the rights to replay the scrimmages the next day. (That's where you separate the true geek from the total moron — watching the rebroadcast of a scrimmage.)

Where are we, the moon? It's a scrimmage!

It's July. Desmond Howard hasn't broken a bone yet. Heck, it's so early Desmond hasn't even gotten onto the field yet — he's still recovering from an off-season injury.

What could you glean from watching that scrimmage? Nothing about offense or defense. The only thing you could know for a fact was that Richie Petitbon did not spend the entire spring pushing away from the rib rack at either of the Petitbon's Grill and Bar restaurants.

But folks are already talking about the two-back offense. You can hear them all around town, hyperventilating.

"Wow! Two backs." "Can you believe it? We're using two backs." Excuse me, it's not like Rod Dowhower just discovered penicillin. Two backs is not unknown in the NFL. It's not particularly radical. When they line up a llama at H-back, let me know.

Actually, I'm quite excited about the upcoming NFL season. I'm glad to see Bill Parcells coaching again. He told the New England Patriots he'd cut anyone who didn't run a mile-and-a-half in 12 minutes. I love that, because Parcells himself, who looked like a Dove Bar on the Giants' sideline, couldn't go a mile-and-a-half in 12 minutes without a golf cart.

Parcells isn't the only tough guy. Rich (See No Evil, Hear No Evil, Speak No Evil) Kotite has told the Philadelphia Eagles that anybody who bad-mouths the team to the press will be fined. Of course, this violates the Constitution of the United States, but I guess none of the Founding Fathers had to work for Norman Braman.

John Elway had had stuff to say about his former coach, Dan Reeves. He said "it was hell" the last few years in Denver with Reeves. Reeves reciprocated by saying, "Well, it wasn't Heaven." How bad was it? Was it Des Moines after the river crested?

With free agency, players have moved all over the place. The one Washington lusted after, Reggie White, is in Green Bay. Apparently, it's a tradition at the Packers' training camp that kids line up with bicycles after practice for the honor of ferrying the players to the dorms. Players sit on the back of these bikes, and kids pedal. Sterling Sharpe, fine; he's light. But what if you get Reggie? I can't imagine that kid gets out of first gear.

THIS IS THE FIRST year we really can't tell the players without a scoreboard. It's amazing how many quarterbacks moved around. Joe Montana led it off, by going to Kansas City, Mark Vlasic, who couldn't beat out Dave Krieg at Kansas City, could hardly expect to beat out Montana, so he went to Tampa Bay, filling the roster spot vacated when comatose Vinny Testaverde fled Tampa Bay to rejoin his Miami Hurricanes teammate Bernie Kosar at Cleveland, where the quasi-life-like Mike Tomczak bailed out for Pittsburgh to back up Neil O'Donnell, who'd beaten out Bubby (It's Short for Bubba) Brister, who moved to Philadelphia, who had a vacancy because punk doofus Jim McMahon had gone to Minnesota, where Rich Gannon and Sean (Minnie Mine Medi) Salisbury failed to make Dennis Green swoon.

Still with me? Wade Wilson, who quarantined at Minnesota before Gannon, then went to

Atlanta, left Atlanta for New Orleans, completing, in effect, a trade, as Bobby Hebert, who bore the brunt of playoff failures in New Orleans, opted to go to Atlanta. When Dan Reeves chose Phil Simms over Jeff Hostetler on the Giants, Hostetler left for the Los Angeles Raiders, who haven't had a good quarterback in 10 years, making the abominable Jay Schroeder expendable. So Schroeder went to Cincinnati, replacing another ash blond, Boomer Esiason, who had gone home to New York and the Jets, forcing Ken O'Brien to leave for Green Bay to back up current whiz kid Brett Favre, who had decisively beaten out former whiz kid Don Majkowski, who's now in Indianapolis because Jeff George, who hasn't liked anything since eighth grade, is whiny and recalcitrant about showing up.

Scott Scully, who wouldn't have gotten a snap in Miami as long as Dan Marino had a pulse, went to New England, where, presumably, he can run a mile-and-a-half in 12 minutes. And Steve Beuerlein, who'd been a backup at the Raiders and Dallas, sold himself to Phoenix, where the hot rumor about the human tube of Ben-Gay, Timm Rosenbach, is that he's retiring — to join the rodeo!

Imagine that, the guy hasn't played two consecutive downs in the NFL without an ambulance, and he's thinking of joining the rodeo. I hope he wears a safety cord when he attempts to ride the bucking broncos, because without it, he's in traction. This guy needs an air bag to get out of bed in the morning. How come nobody televises his scrimmage?

NFL President Sees New WLAFF in '94

BARCELONA — The World League of American Football, which suspended play after losing about \$20 million in two seasons, could resume play in the spring of 1994 with an all-European format if National Football League clubs give the green light next month, the NFL's president, Neil Austrian, said Wednesday.

Austrian said two "international media partners" had approached the NFL with joint-venture proposals. He said he hoped a "concise offer" would be made to NFL club owners in September. He declined to name the partners.

Austrian said any restarted WLAFF would probably have six European-based teams, in Barcelona, Düsseldorf, Frankfurt and London, and possibly Madrid, Amsterdam, Manchester and Liverpool.

He said any new WLAFF would be owned and operated by the NFL clubs, and speculated that a second step in "three or four years" might see the WLAFF adding teams in Hong Kong, Singapore, South Korea and Japan.

The NFL-financed WLAFF, which suspended play after the '92 season, had three European-based teams and seven in the United States. The U.S. teams were a failure, while the teams in Frankfurt, Barcelona and London were generally successful.

"We made a lot of mistakes the last time," said Austrian, in Barcelona for Sunday's American-Bowl game between the San Francisco 49ers and Pittsburgh Steelers. "It was, and is, our interest that the World League will come back."

Kruk's Bat Too Much For Cards

John Kruk gave the Philadelphia Phillies just what they needed. He went 5-for-5 and drove in three runs as the Phillies, playing at home, began their key series against St. Louis by beating the Cardinals, 10-7, Tuesday night.

Dave Hollins added a two-run homer as the Phillies expanded their lead over the Cardinals to five games in the National League East.

Each of Kruk's five hits was off a different pitcher.

"We didn't pitch too good tonight," he said. "But we scored more runs so we win." The Phillies also scored two runs on a double error by right fielder

Mark Whiten and another on reliever Todd Burns' balk.

Kruk said the Phillies weren't seeking to avenge the beating they took in losing three of four in St. Louis at the end of June.

"There is no change," he said. "We still talk trash and listen to the same music. Oh, maybe some guys are a little more serious than normal."

St. Louis starter Joe Magrane lasted just one inning-plus, allowing five hits and five runs. The right-hander has given up 22 hits, five of them home runs, and 17 runs for a 21.86 earned-run average in seven innings in his last three games.

Tommy Greene started for the Phillies but had to leave after 2½ innings when he strained a muscle in his right groin.

Braves 10, Rockies 5: Fred McGriff hit two homers, one his first inside-the-park homer in the majors, and drove in four runs as Atlanta beat host Colorado.

The Braves got four runs in the ninth, when McGriff hit a two-run triple that just missed going over the wall.

John Smoltz pitched four-hit ball over eight innings as the Braves won for the seventh time in eight games since McGriff's arrival. Since then, McGriff has six homers in 35 at-bats, the Braves have scored 81 runs but, despite the streak, are still eight games behind St. Francisco in the NL West.

Giants 3, Dodgers 2: John Burkett became the NL's first 15-game winner, holding visiting Los Angeles to three hits for eight innings.

The Giants reached the Dodgers' starters, Kevin Gross, for three runs and eight hits in the first four innings, and twice left the bases loaded.

Pirates 8, Cubs 6: Andy Benes pitched a five-hitter and Tony Gwynn had five hits and drove in three runs as San Diego won in Chicago.

Mets 4, Marlins 3: Jeff Kent's second homer of the game, leading off the bottom of the seventh, got New York past visiting Florida.

Kent also hit a three-run shot in the fourth.

Expos 8, Pirates 6: Pinch-hitter Lou Frazier singled in the tiebreaking run in a Pittsburgh eighth as Montreal won in Pittsburgh after blowing a 4-0 lead.

Astros 6, Reds 5: Kevin Bass hit a three-run homer as Houston beat visiting Cincinnati.

DENNIS THE MENACE



PEANUTS



CALVIN AND HOBBES



JUMBLE



BLONDIE



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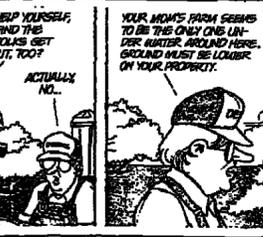
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SPORTS BASKETBALL

Celtics' Star Lewis Collapses Again and Dies While Shooting Baskets

His Skill on the Courts Wasn't the Best of Lewis

By Ian Thomsen
International Herald Tribune

PARIS—It helps to know something about Reggie Lewis. His ability to shoot a basketball was just one facet of his talent. He was improving steadily when he collapsed on a court in suburban Boston.

Audiences paid a lot of money for the chance to watch him play, but they didn't see the best of him. I'm always struck by the eulogies received by athletes: He won this tournament, on this day he beat that person, in the final set he was trailing by a score of 5-2 but he came back to win—and the family sits there, listening to these superficial public claims on someone they knew in a completely different way. Here is the truth, and you only understand it when the hero dies, and his family gathers without him. If all he ever did was shoot a few more points than the others, then his life didn't amount to much.

Those other facets of Reggie Lewis' spirit, his heart, were revealed after his graduation from Dunbar High School in Baltimore.

It's a famous school for basketball, and he sat on the bench. Three others from his high school team would go on to play in the National Basketball Association—they were Reggie Williams, David Wingate and Tyrone (Muggsy) Bogues—but no one guessed that Reggie Lewis would become the best of them. In those days, he probably was single-minded in wanting to become a great player. This is where you can underestimate somebody, by holding them to their shallowest dreams.

I got to know him, only a little bit, when he played for Northeastern University in Boston. Given the opportunity, he became instantly the best player on the team, and eventually the best player in the history of the school. So he matured in stages. The Boston Celtics drafted him in 1987, and for the first year he remained as he was in college—apparently shy, one-dimensional. It was easy to think of him as nothing more than a player. It was easy to underestimate him.

Then the Celtics decided to make better use of him. He averaged 18.5 points for them in his second year, and that was when it hit him. He was fed up with being just a player—listening to a coach, running the plays, making his shots more than half of the time. He was perceived as a valuable part in a machine. Basketball had taught him to be more than that. While others had doubted his abilities, he had remained stubbornly confident. He learned that he should be just as stubborn and confident in other ways. He never stopped believing like the perfect team player, but the rest of his personality grew up like the garden surrounding a castle. He was an NBA All-Star by the age of 26. He had one year left.

THE NEW JERSEY Nets lost their guard, Drazen Petrovic, earlier this summer. He died in the passenger seat of a car that crashed in Germany, and that was a tragic accident. As for the Celtics, they should have been fielding one of the best teams next season. Len Bias, drafted a year before Lewis, was going to be a superstar. His name is synonymous with the cocaine that killed him before he could play one game for the Celtics.

Reggie Lewis died Tuesday trying to take control of his life. Last season he complained of dizziness. Only after he collapsed during a game in April did the Celtics assemble a "Dream Team" of 11 physicians, who ultimately decided that he was the victim of an irregular heartbeat and should never play again. He found reason to question their allegiance.

They were discussing his treatment among themselves and team officials, and releasing details to the public, and in the meantime Lewis' wife was complaining that she was being excluded from the process. Were they treating him more like an employee, and less like a patient? He checked out of one Boston hospital late one night and rode by van—not by ambulance, and that was a terrific risk—and he received a confusing second opinion that he had suffered from a neurological problem, treatable by medication, and that he could play basketball this season.

For a long period now, Lewis will be transformed into a eulogy and an issue. The issue will involve the conflict of team physicians, employed by a club to administer to athletes. When the Celtics' team of physicians decided that Lewis should not play basketball, did he worry that they were only protecting themselves? Did he trust them to do right by him? As he shot around Tuesday, no decision had been made about his future with the Celtics. This is all going to come out, and perhaps changes will result.

The eulogy will tell of the man he became. The Celtics were known as a team of white stars, but when Larry Bird retired he was replaced as captain by Lewis, a black. Lewis lived not in a suburban mansion, but in a mixed neighborhood in Boston. He worked with children, because he knew that most of them lacked his strength, to believe in themselves when others didn't. He was going to help them, by example and in person. In him they were going to see what they might become.

The easiest thing to say is that Reggie Lewis sacrificed his life for the love of a game. Then others will argue, angrily, that the game sacrificed him. His son, Reggie Jr., is 11 months old, and his widow is pregnant. As wonderful as he was at 27, he was going to be much better still in his 50s and his 60s. He was going to be much more than a player.



Reggie Lewis and his wife, Donna Harris-Lewis, in May after a second medical opinion gave him hope of returning to basketball.

Conflicting Medical Opinions Were Given on Heart Ailment

By Robert McG. Thomas Jr.
New York Times Service

NEW YORK—Reggie Lewis, the Boston Celtics' star who collapsed with a heart ailment during a National Basketball Association playoff game in April, has died after collapsing while shooting baskets at the team's training center at Brandeis University in Waltham, Massachusetts.

Paramedics found Lewis, 27, in "complete cardiac arrest," said Mary Anne McGinn, the emergency room physician at Waltham-Weston Hospital, where Lewis was brought shortly before 6 P.M. Tuesday. He was pronounced dead at 7:30 P.M. Lewis, who was hospitalized for 11 days after he collapsed during the playoff game against the Charlotte Hornets on April 29, had since received conflicting medical advice about the nature and severity of the ailment that led to the collapse.

A team of 11 cardiologists initially told him that he suffered from a severe form of heart disease that would pose a danger to his life if he resumed his basketball career.

After he abruptly switched hospitals, from New England Baptist to Brigham and Women's Hospital in Boston for a week of further tests, Dr. Gilbert Mudge announced that Lewis suffered from a comparatively benign neural condition, neurocardiogenic syncope, in which confusing signals regulate the speed of the heart beat. Mudge said the condition could be successfully treated with drugs, allowing Lewis to resume his career.

The conflicting opinions caused a running controversy in Boston, and Lewis, himself, was critical of the team physician for releasing a statement saying he had potentially life-threatening "cardiac abnormalities." Lewis sought even further medical advice. He apparently felt confident enough to shoot baskets at Brandeis, where the Celtics have a practice facility, but had not participated in official team workouts.

In an interview last May on the Celtic-owned WEEI radio, Lewis said, "You're never 100 percent sure about anything, especially lately. We're still discussing things, and we're going to make the decision we are sure is right for me. I know this thing is never going to go away until I step on the basketball floor. And even then, everyone is going to be watching to see if I collapse again."

According to the Brandeis sports information director, Jack Molloy, Lewis and a friend, who was not identified, arrived at the practice court about 4 o'clock Tuesday afternoon and were still shooting when Molloy left half an hour later.

After his collapse, Lewis was given mouth-to-mouth resuscitation by emergency medical personnel and taken to the hospital.

Amir Weiss, who was at the Brandeis gym, said Lewis "wasn't doing anything too strenuous." When I looked over, Reggie was on the floor. We went over to look at him and he was gasping for air. He said Lewis was limp and shaking and, after a few minutes, "he stopped breathing."

"Everybody could tell that he wasn't," Weiss said. "His chest was just stationary, completely stationary." His wife, Donna Harris-Lewis, who is pregnant, arrived at the hospital shortly after Lewis and wrote hours a stream of friends and Celtics officials joined the vigil.

Until his collapse in April, Lewis, a native of Baltimore who played for the city's famous Dunbar High School and later starred for Northeastern University in Boston, had been a fixture in the Celtics since the team made him its first-round choice in the 1987 draft, taking him 22d overall.

Playing both guard and forward for the Celtics, the 6-foot-7-inch (2-meter) Lewis emerged as a point guard scorer and a team leader. He led the team in scoring, averaging 20.8 points a game last season, and was selected as its captain.

■ "Worst Fears" Realized
Mark Estes, an electrophysiologist involved in the diagnosis at New England Baptist Hospital, said the apex of Lewis' left ventricle appeared to have scar tissue. The Los Angeles Times reported. Such a condition could trigger an exercise-induced arrhythmia, or fast heartbeat.

Sources familiar with Tuesday's episode said Lewis was experiencing an irregular heartbeat known as ventricular fibrillation at the hospital.

"There has been considerable amount of concern in the medical community for the potential for a serious life-threatening arrhythmia and that our worst fears have been actualized here," Estes said Tuesday.

But "how a physician chooses to interpret and weigh each one of those tests is not an exact science by any means," Estes said.

The case has similarities to that of Hank Gathers, who collapsed during a Loyola Marymount game in March 1990 and died about 90 minutes later. Gathers had been taking medication to control a rapid heartbeat at the time.

"It's almost the same story all over again," said David Cannon, a cardiologist at the Good Samaritan Hospital of Los Angeles. "I think it is going to cause enormous shock waves through the sports community and, in turn, the people who take care of athletes."

The Yin and Yang of China's Bid for the Olympics

By Nicholas D. Kristof
New York Times Service

BEIJING—A few years ago, China seemed to have about as much chance of becoming host to the Summer Olympic Games in 2000 as Deng Xiaoping had of winning the polio vault.

But the Chinese leadership has been remarkably successful in promoting Beijing's bid for the Olympics, with the International Olympic Committee set to choose a host city in less than two months.

The leading contender is still widely believed to be Sydney, but Beijing is campaigning strongly, with support expected in Asia and among developing countries, so it could well sprint ahead in the final lap.

Already the issue is leading to new tensions in U.S.-Chinese relations. Human rights groups in the United States have protested to and awarded Beijing the Olympics would be to reward the government for its repression. The U.S. House of Representatives passed a resolution Monday, by a vote of 287-99, saying it "strongly opposes" allowing Beijing to play host to the Games.

China, in turn, is fuming at what it denounces as "gross interference in the international Olympic affairs."

He Zhenling, president of the Chinese committee, complained to foreign reporters a few days ago that the United States had its own human rights problems. He cited the U.S. Embassy's refusal to give his niece a visa to travel to the United States to visit relatives.

In its effort to improve its image abroad, the government has taken some contradictory measures. On the one hand, it has released a number of political prisoners. On the other, it has harassed and arrested a dissident named Qin Yongmin because of his public opposition to Beijing's bid.

The president of the Chinese committee, who speaks excellent English and French, says China opposes linking sports and politics, and that to do so would risk destroying the Olympic movement. Tuesday night the television news, in condemning the House resolution, suggested that the U.S. boycott of the 1980 Moscow Olympics was a mistake because the ultimate losers were the athletes.

But at the time of the Moscow Olympics, Chinese leaders went out of their way to emphasize a link between politics and sports. On Feb. 1, 1980, for example, the Foreign Ministry issued a statement that it was "obviously not suitable to stage the XXII Olympic Summer Games in Moscow under the circumstances of the Soviet invasion of Afghanistan."

Three months later, China's Olympic Committee announced that it would join the Western boycott of the Moscow Olympics unless the Soviets promptly withdrew from Afghanistan. Since the Soviets did not withdraw, the Chinese athletes did not take part.

Foreigners visiting Beijing are often a bit overwhelmed by the fervor of the Olympic bid. Signs in English and Chinese are up all over the city heralding the bid, and virtually every taxi has been forced to post a "Beijing 2000" sticker on its rear window.

Beijing already has a large number of new gymnasiums and other athletic sites, many of which were built just a few years ago as the city prepared to be the site for the 1990 Asian Games. The Asian Games, which China treated as a practice run for its Olympic bid, proceeded smoothly but in such tight security that some visitors found the environment oppressive.

An official newspaper later disclosed that 650,000 people had been involved in security work in Beijing during the Asian Games.

Some of the recent publicity efforts to promote Beijing's Olympic bid seem a bit misguided. For example, although the authorities are encouraging foreigners to forget about the Tiananmen Square crackdown on pro-democracy protesters in 1989, Beijing promoted its Olympic bid with a shooting tournament in which foreigners were invited to fire machine guns.

As the Chinese government sees it, a successful Olympics would be a sign that China had fully joined the international community. For a country that has long yearned for acceptance and respect from the world, the Olympics would be a graduation of the same kind that Japan and South Korea commemorated with the 1964 Olympics in Tokyo and the 1988 Games in Seoul.

Moreover, as a sports reporter for a major Chinese newspaper said, "This bid isn't about a sports event. This is a campaign, just like all the other campaigns that the government launches. The idea is to give people something to strive for, something to unite them behind."

Public opinion within China is difficult to gauge. A government survey reported that 56.7 percent of Beijing residents support the Olympic bid, but it would be a foolish and misleading citizen who would admit any other view to a government pollster; the real finding may be that 98.7 percent do not want to get in trouble.

Given all the "Beijing 2000" posters around town, it is unclear how the authorities will react if they are unsuccessful. Some Chinese believe that the government will blame the United States and human rights groups, souring relations with Washington. Others believe that the posters will quietly come down.

In the last few days, authorities have begun to prepare the public for the possibility of failure. They say that if Beijing is not chosen this time it will apply again.

"They're pretty good at switching gears very rapidly," a Western diplomat said. "Maybe they'll go out on Sept. 24 and paint out the last digit in all those 'Beijing 2000' posters and substitute a '4.'"

Jackson Just Misses World Mark, And Ferrari in Sestriere Meet

MONTREAL—Recalled Joe Sposito, catcher, and Gil Hernandez, pitcher, from Ottawa, IL, Dispatched Tim Lincecum, catcher, for replacement, O'Connell Mike Gardner, pitcher, to Ottawa on injury rehabilitation assignment. SAN DIEGO—Straight catch of Jarvis Brown, outfielder, from Las Vegas, P.C. WASHINGTON—Sestriere bid for promotion of giving him his unconditional release. Designated Bob Geren, catcher, for assignment.

CLIVELEND—Hosson James, wide receiver, returned. L.A. RAIDERS—Signed Brian James, linebacker. Released Tahir Alford, linebacker. Paul Dunbar, offensive guard, released. Released Steven Corrie, offensive tackle. SAN DIEGO—Signed Al Gotson, tight end. WASHINGTON—Signed Matt Schaub, tight end. WASHINGTON—Signed Matt Schaub, tight end. WASHINGTON—Signed Matt Schaub, tight end.

ATHLETON WILL REPLACE GOOCH AS ENGLAND'S CRICKET CAPTAIN
LONDON (AP)—Michael Atherton, 25, was chosen as the man to rescue England's cricket fortunes Wednesday, as the Captaincy Selection Committee named him to succeed Graham Gooch as captain of the national team.

Atherton was named to lead the team for the last two Tests this summer against Australia. India will make a three-match tour early next year, New Zealand officials said.

FOR THE RECORD
Frank Rijkaard has rejoined Ajax Amsterdam from AC Milan, signing a two-year contract in a transfer deal worth \$720,000. (Reuters)

CRICKET
SECOND TEST
India vs. Sri Lanka, Second Day
Wednesday, in Colombo, Sri Lanka
India 1st Innings: 366 (all out)
Sri Lanka 1st Innings: 200-4

JAPANESE LEAGUES
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SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE			
East Division			
Team	W	L	Pct.
Toronto	57	45	.559
New York	57	45	.559
Boston	57	45	.559
Baltimore	57	45	.559
Cleveland	57	45	.559
Minnesota	57	45	.559

Tuesday's Line Scores

AMERICAN LEAGUE			
Team	W	L	Pct.
New York	57	45	.559
Toronto	57	45	.559
Boston	57	45	.559
Baltimore	57	45	.559
Cleveland	57	45	.559
Minnesota	57	45	.559

SIDELINES

WASHINGTON—NBC continued its big year of securing the rights to some of the sporting world's most prestigious events with the announcement Tuesday night that it had won the bidding to televise the 1996 Atlanta Olympics for a record \$456 million.

The figure was well below the \$600 million Atlanta Olympic organizing officials had hoped to get for U.S. television rights but \$55 million above the \$401 million NBC paid for the Barcelona Games in 1992. Those Games

lost \$100 million for the network, much of it in a disastrous pay-per-view experiment.

NBC, which already has announced unique revenue-sharing deals this year to televise National Basketball Association games through 1998 and major league baseball games (with ABC) through 1999, also agreed to share advertising sales above \$615 million with the IOC/ACOG on a 50-50 basis, and to help promote ticket and commemorative coin sales. It was estimated this would add \$6 million to \$8 1/2 million of revenue.

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U.S. Soccer Team Likely to Play Mexico And England Again in Buildup to Cup

MISSION VIEJO, California—The United States will likely get a rematch with Mexico on Oct. 13 in Washington and a chance to make up for the 4-0 drubbing inflicted Sunday in the CONCACAF Gold Cup final, the U.S. Soccer Federation said Wednesday.

The U.S. federation announced a tentative 15-game schedule through March 26, in preparation for the 1994 World Cup.

England may get another chance at the United States on Feb. 5 in either Orlando or Tampa, Florida. The United States embarrassed England, 2-0, on June 9 in the U.S. Cup '93.

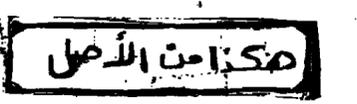
Other opponents include Norway and Ukraine, two matches each, and single matches against Ghana, Latvia, Switzerland, Russia, Sweden, Lesotho and two unannounced opponents. There is also a previously announced match with Germany in Palo Alto, California, on Dec. 18, the day before the World Cup draw in Las Vegas.

"We are in the process of finalizing these games with the various venues and local organizing committee," said the USSF's general manager, Bill Nuttall.

ESCORTS & GUIDES
INTERNATIONAL CLASSIFIED
(Continued From Page 4)

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ART BUCHWALD

The Revolving Door

WASHINGTON — My nominee for the 1993 "Revolving Door Man of the Year" goes to Abraham Sofaer...



Then Sofaer left the government through Washington's revolving door...

Beijing Bans Film After Premiere

BEIJING — Hundreds of screaming fans mobbed director Chen Kaige at the Chinese premiere of "Farewell to My Concubine"...

Censors last week abruptly retracted permission for the film, joint winner of the Cannes festival's top prize...

"This premiere will also be the last showing," Chen said at the screening. He declined to elaborate...

The film had already been cut and a new ending added in order to satisfy the censors...

they strongly opposed in the past. It is called "having your cake and a large retainer, too."

The reason I chose Sofaer for this distinction is that after giving Reagan the green light to bomb the hell out of Libya...

Having killed 270 innocent people, Libya naturally deserved the best legal advice that money could buy.

On the surface it seemed to be a good deal for everyone. Gadhafi would get a top lawyer and Sofaer could change horses in midstream.

John Townsend, Sofaer's partner, gave a typical lawyer's explanation for taking the case when he said, "It seemed to us to be an interesting professional challenge."

Unfortunately, there was so much heat from the press and his former colleagues that Sofaer decided to bow out. But he still gets my award for wanting to take the case in the first place.

Bayreuth Opens With Angst and Geometry

By John Rockwell

BAYREUTH, Germany — The opening of the Bayreuth Festival is a great annual German occasion, equivalent to sports events elsewhere like the Super Bowl...

As always, there were guests of honor at this year's opening, on Sunday, 270 of them. Aside from the usual Bavarian and other German political potentates, Mikhail and Raisa Gorbachev were on hand...

This is a "Ring"-less summer in Bayreuth, meaning the interregnum every five years or so between "Ring des Nibelungen" productions...

If one were interested in stage direction and design, there was the production team. Heiner Müller, considered Germany's leading playwright by those who don't think Botho Strauss deserves the title...

On the musical side, both title characters were taken by singers who had never previously sung their roles: Siegfried Jerusalem, Bayreuth's reigning Siegfried, as Tristan and Waltraud Meier...

Müller may consider himself a mere "dilettante" as a stage director. "My real profession is something else," he remarked at the postmortem news conference on Monday morning...

For him, the notion of Tristan and Isolde as so deeply in love that they can only find themselves in death is "non-sense, Romanticism in the worst sense," as he put it in a special feature magazine distributed free throughout Bayreuth...



Siegfried Jerusalem, left, and Waltraud Meier in title roles of "Tristan und Isolde."

Having disposed of the central metaphor of the opera, Müller moved on. For him, the depiction of love onstage would be ludicrous; instead, he invented a scenario whereby Isolde, an almost godlike fertility figure, redeemed Tristan from his torment...

Otherwise, it was all alienation and abstraction. Particularly in the second act, normally a love scene in a garden but here laid out in patterns that made for narrow aisles, which in turn created horizontal trellis shapes...

"I proposed Yamamoto in the desire to obtain a coldness, a distance from this overheated material," Müller wrote in *Interpretation*. No wonder his essay was entitled "Angst and Geometry."

All of this outraged traditionalists; some booed fiercely at the conclusion and others questioned Müller in anguished tones at the Monday news conference...

beauty of Wagner's set designs, reminiscent of Wieland Wagner's light-dappled Minimalism in its evocations. And no one could deny that Müller's ideas — however annoying they became at times, and however unrealized they sometimes seemed in terms of the specific direction of individual singers — made one think, Müller kept stressing the difference between "success" and "impact."

As for the long-awaited debuts of Meier and Jerusalem, the audience was ecstatic, so much so that Jerusalem excitedly hugged and kissed his partner several times during the curtain calls. Critical reaction was more guarded. A few reviewers loved Meier; Max Loppert in *The Financial Times* of London found her "metal-tipped, liquidly vibrant" voice "lambently affecting and elating to contemplate."

More typical was the reaction of the *Leipziger Volkszeitung*: "Waltraud Meier is the most beautiful and erotic Isolde in postwar Bayreuth history. But also the best? That depends on how long her voice, driven upward from mezzo to soprano, will survive this act of force."

Jerusalem was faulted for pitch problems in Act II, but respectfully saluted for his cleanliness of line and nobility of utterance in the other acts. Barenboim, who had his share of boos as well, was generally praised for exciting tempo extremes and lovely soft playing in those passages where, on stage, Müller was denying the tangibility of love.

The Bayreuth Festival is to continue until Aug. 28, when the seventh and last performance in 1993 of this "Tristan" production will take place.

PEOPLE

Political Book-Making: Mom Has Inside Track

President Bill Clinton's mother, Virginia Kelley, has the inside track on tell-all Clinton-era books. The Washington Post reports that the First Mom has signed a contract with Simon & Schuster to pen her memoirs...

Tamper with the image of Miss America? The beauty pageant's chief executive, Leonard Horst and broadcast producer Jeff Margolis plan to give contestants a new look come September...

An author and record producer who claims to have proof that Elvis Presley is alive has filed a lawsuit in Dallas against Elvis Presley Enterprises for saying that The King is dead...

The promoter of two planned Michael Jackson concerts in Taiwan in September is taking out a \$5.2 million insurance policy in case Jackson backs out...

INTERNATIONAL CLASSIFIED Appears on Page 4

WEATHER

Weather forecast tables for Europe, Asia, Africa, North America, Middle East, Latin America, and Oceania. Includes temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section including 'ACROSS' and 'DOWN' clues, a 'Solution to Puzzle of July 28', and a 'New York Times, edited by Eugene Malachuk' crossword grid.

If you're going to travel all over the map, here's how to call from almost any point on it.



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